CITY COUNCIL
MEETING AGENDA

CITY OF MONTEBELLO CITY COUNCIL/SUCCESSOR AGENCY
CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA[1] [1][2]
WEDNESDAY, SEPTEMBER 23, 2020
5:30 P.M.

MONTEBELLO CITY COUNCIL

SALVADOR MELENDEZ
MAYOR

KIMBERLY A. COBOS-CAWTHORNE
MAYOR PRO TEM

ANGIE M. JIMENEZ
COUNCILMEMBER

DAVID N. TORRES
COUNCILMEMBER

JACK HADJINIAN
COUNCILMEMBER

CITY CLERK
IRMA BARAJAS

CITY TREASURER
RAFAEL GUTIERREZ

CITY STAFF

CITY MANAGER
René Bobadilla

CITY ATTORNEY
Arnold M. Alvarez-Glasman

DEPARTMENT HEADS

Assistant City Manager	**Arlene Salazar**
Fire Chief	**Fernando Pelaez**
Police Chief	**Brad Keller**
Director of Finance	**Michael Solorza**
Director of Human Resources	**Nicholas Razo**
Director of Planning/Community Development	**Joseph Palombi**
Director of Public Works	**James Enriquez**
Director of Recreation and Community Services	**David Sosnowski**
Director of Transportation	**Young-Gi Kim Harabedian**

OPENING CEREMONIES

1. CALL MEETING TO ORDER: Mayor Melendez

2. ROLL CALL: City Clerk I. Barajas

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[1] *In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Building Official at 323/887-1497. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II1203). If you require translation services, please contact the City Clerk's Office 24 hours before this meeting. Si necesita servicios de traducción, comuníquese con la Oficina del Secretario Municipal 24 horas antes de esta reunión.*

3. STATEMENT OF PUBLIC ORAL COMMUNICATIONS FOR CLOSED SESSION ITEMS:

Please be aware that the maximum time allotted for individuals to speak shall not exceed three (3) minutes per speaker. Please be aware that in accordance with State Law, the City Council may not take action or entertain extended discussion on a topic not listed on the agenda.

At this City Council meeting and consistent with the Governor's Executive Order No. N-29-20, the City Council meeting will continue to be live streamed for the public's convenience and can be watched at www.cityofmontebello.com and click on Live Stream. For those interested in making public comments, you may call on Wednesday September 23, 2020 between 7:30 a.m. – 4:30 p.m. at (323) 887-1437. Staff will complete public comment cards in the order received. The public will be called during the City Council meeting that begins at 6:30 p.m. Closed Session begins at 5:30 p.m. The exact call back time is not predictable due to the nature of the City Council agenda. As a result, you must be available until the end of the meeting to receive a live call from staff during the meeting. The City has created an email address ccpubliccomment@cityofmontebello.com where the public can submit public comments from 7:30 a.m. – 4:30 p.m. on Wednesday, September 23, 2020. These questions will be read out loud and submitted for the record. The email address for City Council meetings can be located on the City's webpage under the City Clerk tab, https://www.cityofmontebello.com/department/administration/city-clerk-s-office.html.

IN CONSIDERATION OF OTHERS, PLEASE TURN OFF, OR MUTE,
ALL CELL PHONES AND PAGERS.
THANK YOU FOR YOUR COOPERATION.

ORAL COMMUNICATIONS ON CLOSED SESSION ITEMS

CLOSED SESSION – 5:30 P.M.

The City Attorney shall provide a briefing on the item listed for Closed Session as follows:

4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Government Code section 54956.8
Property: 715 W. Whittier Boulevard, Montebello, CA
Agency's Negotiator: René Bobadilla, City Manager
Negotiating Party: Jon Pace
Under Negotiation: Potential Property Acquisition - Price and Terms

5. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Government Code section 54956.8
Property: 612 W. Whittier Boulevard, Montebello, CA
Agency's Negotiator: René Bobadilla, City Manager
Negotiating Party: Mario Mojarro
Under Negotiation: Potential Property Acquisition - Price and Terms

6. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Government Code section 54956.8
Property: 1345 N. Montebello Blvd.
Agency's Negotiator: René Bobadilla, City Manager
Negotiating Party: M&M Realty
Under Negotiation: Price and Terms

7. THREAT TO PUBLIC SERVICES OR FACILITIES
Government Code Section 54957
Consultation with City Manager, Police Chief, City Attorney and other related City officials.

REGULAR SESSION - 6:30 P.M.

8. INVOCATION

9. PLEDGE OF ALLEGIANCE

10. STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

11. CORRECTIONS TO THE AGENDA – CITY MANAGER

12. STATEMENT OF PUBLIC ORAL COMMUNICATIONS: Members of the public interested in addressing the City Council on any agenda item or topic must fill out a form provided at the door, and turn it in to the City Clerk prior to the beginning Oral communications. A form does not need to be submitted for public hearing items.

Speakers wishing to address the City Council on an item that is not on the agenda will be called upon in the order that their speaker card was received. Those persons not accommodated during this thirty (30) minute period will have an opportunity to speak under "Oral Communications – Continued" after all scheduled matters have been considered.

Please be aware that the maximum time allotted for individuals to speak shall not exceed three (3) minutes per speaker. Please be aware that in accordance with State Law, the City Council may not take action or entertain extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

At this City Council meeting and consistent with the Governor's Executive Order No. N-29-20, the City Council meeting will continue to be live streamed for the public's convenience and can be watched at www.cityofmontebello.com and click on Live Stream. For those interested in making public comments, you may call on Wednesday September 23, 2020 between 7:30 a.m. – 4:30 p.m. at (323) 887-1437. Staff will complete public comment cards in the order received. The public will be called during the City Council meeting that begins at 6:30 p.m. the exact call back time is not predictable due to the nature of the City Council agenda. As a result, you must be available until the end of the meeting to receive a live call from staff during the meeting. The City has created an email address ccpubliccomment@cityofmontebello.com where the public can submit public comments from 7:30 a.m. – 4:30 p.m. on Wednesday, September 23, 2020. These questions will be read out loud and submitted for the record. The email address for City Council meetings can be located on the City's webpage under the City Clerk tab, https://www.cityofmontebello.com/department/administration/city-clerk-s-office.html.

13. PUBLIC ORAL COMMUNICATIONS ON OPEN SESSION ITEMS (30 MINUTES)

14. APPROVAL OF AGENDA: Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion with the exception of Item No. 15 and any item upon which a member of the public or City Council has requested to speak upon. Such approval will also waive the reading of any ordinance.

SCHEDULED MATTER

15. PUBLIC HEARING TO ADOPT A RESOLUTION APPROVING AND ADOPTING THE CITY OF MONTEBELLO'S FIVE-YEAR 2020-2025 CONSOLIDATED PLAN, THE 2020-2021 ANNUAL ACTION PLAN, THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE, THE CITIZEN PARTICIPATION PLAN, AND POLICIES AND PROCEDURES MANUAL FOR THE HOME INVESTMENT PARTNERSHIP PROGRAM AND THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

RECOMMENDATION: It is recommended that the City Council:

1) Adopt a Resolution approving and adopting the City of Montebello's Five-Year Consolidated Plan, Annual Action Plan, Analysis of Impediments to Fair Housing Choice, Citizen Participation Plan, and Policies and Procedures Manual for the HOME Investment Partnership Program and the Community Development Block Grant Program.

2) Take such additional, related action that may be desirable.

CONSENT MATTERS

16. CONFLICT OF INTEREST CODE BIENNIAL UPDATE

RECOMMENDATION: It is recommended that the City Council:

Adopt the following Resolution amending the Conflict of Interest Code for the City of Montebello in compliance with Government Code requirements:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, AMENDING THE CONFLICT OF INTEREST CODE FOR THE CITY OF MONTEBELLO IN ACCORDANCE WITH THE POLITICAL REFORM ACT

17. APPROVE THE FIRST AMENDMENT TO AGREEMENT NO. 3697 WITH AVAIL TECHNOLOGIES FOR MAINTENANCE AND SUPPORT OF THE MONTEBELLO BUS LINES' INTELLIGENT TRANSPORTATION SYSTEM (ITS) AND FIXED ROUTE PASSENGER INFORMATION SYSTEM

RECOMMENDATION: It is recommended that the City Council:

1) Approve a first amendment to Agreement No. 3697, extending software maintenance services with Avail Technologies, Inc. ("Avail") for one-year with the Montebello Bus Line for its Intelligent Transportation System (ITS) and Fixed Route Passenger Information System; and

2) Authorize the City Manager and/or his Designee to execute the first amendment on behalf of the City.

3) Take such additional, related, action that may be desirable.

18. APPROVAL OF CALIFORNIA OFFICE OF TRAFFIC SAFETY (OTS), TRAFFIC RECORDS IMPROVEMENT PROJECT (TRIP) GRANT FUNDS UTILIZATION

RECOMMENDATION: It is recommended that the City Council**:**

1) Approve the use of grant funding awarded to the Police Department by the California Office of Traffic and Safety (OTS) through the Traffic Records Improvement Project (TRIP), Grant number TR21044, in the amount of $15,000; and

2) Authorize amending the Fiscal Year (FY) 2020-21 budget and increase appropriations by $15,000 in Grant Fund Account No. 265-8014-800-65.10, OTS-TRIP, OTS TR21044 FY 2020-21; and,

3) Take such additional, related, action that may be desirable.

19. APPROVAL OF CALIFORNIA OFFICE OF TRAFFIC SAFETY (OTS), SELECTIVE TRAFFIC ENFORCEMENT PROGRAM (STEP) GRANT FUNDS UTILIZATION

RECOMMENDATION: It is recommended that the City Council:

1) Approve the use of grant funding awarded to the Police Department by the California Office of Traffic and Safety (OTS) through the Selective Traffic Enforcement Program (STEP), Grant number PT21105, in the amount of $109,000; and

2) Amend the Fiscal Year 2020-21 budget and increase appropriations by $109,000 in grant Account No. 265-8013-800-60.10, OTS-STEP Grant, PT21105 FY 2020-21; and

3) Take such additional, related, action that may be desirable.

20. AUTHORIZE THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH ONWARD ENGINEERING FOR PUBLIC WORKS INSPECTION AND CONSTRUCTION MANAGEMENT SERVICES FOR THE ARROYO DR. STREET IMPROVEMENTS PROJECT (CP-858), RFP NO. 20-5

RECOMMENDATION: It is recommended that the City Council:

1) Authorize the City Manager to execute a Professional Services Agreement with Onward Engineering for Public Works inspection and construction management services for the subject project in an amount not-to-exceed $85,933; and,

2) Amend the Fiscal Year 2020-21 budget by increasing appropriations by $85,933 in the Gas Tax Fund (Account No. 200-99-6040.95, Other Professional Services; and,

3) Take such additional, related, actions that may be desirable.

21. PAYMENT OF BILLS: RESOLUTION APPROVING THE CITY/SUCCESSOR AGENCY WARRANT REGISTER OF DEMANDS DATED SEPTEMBER 23, 2020

RECOMMENDED ACTION: It is recommended that the City Council:

Adopt the proposed Resolution approving the Warrant Register dated September 23, 2020.

22. APPROVAL OF MINUTES: JULY 31, AUGUST 12, AUGUST 26, SEPTEMBER 9 AND SEPTEMBER 11, 2020

RECOMMENDATION: It is recommended that the City Council:

Approve minutes as written.

23. ORAL COMMUNICATIONS - CONTINUED IF NECESSARY

COUNCIL ORALS

24. COUNCIL MEMBER ANNOUNCEMENTS; REQUESTS FOR FUTURE AGENDA ITEMS; CONFERENCE/MEETINGS REPORTS

ADJOURNMENT

NOTES

ITEM #15

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Joseph Palombi, Director of Planning and Community Development

SUBJECT: Public Hearing to adopt a Resolution approving and adopting the City of Montebello's Five-Year 2020-2025 Consolidated Plan, the 2020-2021 Annual Action Plan, the Analysis of Impediments to Fair Housing Choice, the Citizen Participation Plan, and Policies and Procedures Manual for the HOME Investment Partnership Program and the Community Development Block Grant Program.

DATE: September 23, 2020

RECOMMENDATION

Staff recommends that the City Council:

1) Adopt a Resolution approving and adopting the City of Montebello's Five-Year Consolidated Plan, Annual Action Plan, Analysis of Impediments to Fair Housing Choice, Citizen Participation Plan, and Policies and Procedures Manual for the HOME Investment Partnership Program and the Community Development Block Grant Program.

2) Take such additional, related action that may be desirable.

BACKGROUND

Each year the U.S. Department of Housing and Urban Development ("HUD") provides funding for housing and community development programs to the City of Montebello ("City"), specifically Community Development Block Grant (CDGB) and Home Investment Partnerships (HOME) Program funds. In order to receive these funds, the City must complete a report every three (3) to five (5) years called the Consolidated Plan (ConPlan).

As presented during the August 26th City Council meeting, the purpose of the ConPlan is to identify the City's housing and community development needs, priorities, goals, and strategies and to stipulate how funds will be allocated to housing and community development activities over the next five (5) years. The CDBG Program provides Federal funds for local improvement projects and programs. Activities assisted with CDBG funds must meet one of the three (3) national objectives: 1) principally benefit low and moderate-income persons, 2) aid in the prevention or elimination of slums and blight, or 3) meet other community development needs having particular urgency.

The HOME Program provides formula grants - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

In addition to the ConPlan, HUD requires the development of a Five Year Analysis of Impediments to Fair Housing Choice. HUD also requires public input on amendments to the Citizen Participation Plan and Annual Action Plan.

HUD regulations 24 CFR 92.500 and 24 CFR 570 require that entitlement jurisdictions certify to HUD that they have adopted local policies and procedures concerning the administration of the HOME and CDBG Programs. HUD required implementation of comprehensive written policies and procedures which provide internal controls and uniform guidance for these federal programs. A recent HUD audit required that the City develop a comprehensive cost accounting and finance policy and procedure.

FISCAL IMPACTS

For Fiscal Year (FY) 2020-21, the City expects to receive approximately $665,346 in CDBG funds and approximately $258,317 in HOME funds. Additionally, $493,785 in CDBG Program Income and $143,853 in HOME Program Income is available for programming, as well as $420,431 of unused CDBG funds that will be carried over from previous years.

Total funding available for FY 2020-21:

CDBG Funds:	$1,579,562
HOME Funds:	$402,170

The City also received supplemental CDBG funding (CDBG-CV) in the amount of $391,402. These funds are provided to communities to assist with their response to the novel Coronavirus ("COVID 19").

ANALYSIS

The Consolidated Plan is a HUD required plan assessing affordable housing and community development needs for the next five-year 2020-2025 period. The ConPlan determines how funds from HUD will be used.

Proposed Montebello 2020-2025 Goals

Goal Name	Category	Geographic Area	Needs Addressed
Increase affordable housing opportunities	Public Service Affordable Housing	Citywide	Affordable housing and lower housing costs
Maintain decent and energy efficient housing stock	Affordable Housing Special Needs	Citywide	Assistance for extremely low and low income households
Create sustainable neighborhoods	Community Facilities Public Facilities	Eligible Low and Moderate Income Block Groups, Citywide	Enhance facilities and programs for youth and seniors. Correct infrastructure issues
Expand fair housing choice and access	Public Services	Citywide	Increase homeownership
Provide vital public services	Public Services	Citywide	Homeless prevention services
Increase earning capacity for LMI families	Non-Housing Economic Development	Citywide	Provide job training and opportunities for more jobs
Expanding economic opportunities	Economic Development	Citywide	Needed Infrastructure improvements
Planning and administration	Delivery of organization and administration of the CDBG and HOME programs	Citywide	Planning and Administration

The Annual Action Plan is submitted to HUD on an annual basis and identifies how the City plans to use the Federal money during the next fiscal year to meet the goals and objectives approved by the City Council in the Five-Year Consolidated Plan.

CDBG FY 2020-2021		
$	665,346.00	CDBG Allocation
$	493,785.00	Program Income
$	1,159,131.00	Total Allocation
$	(231,826.20)	Admin CAP (20% of total allocation)
$	927,304.80	Allocation Available for Programming
$	420,431.00	Prior years resources
$	1,347,735.80	Total Available for Programming

HOME FY 2020-2021		
$	258,317.00	HOME Allocation
$	143,853.00	HOME Program Income
$	402,170.00	Total Allocation
$	(100,542.50)	Admin CAP (25% of total allocation)
$	301,627.50	Available for Programming

CDBG-CV FY 2020-2021		
$	391,402.00	CDBG-CV Allocation
$	(78,280.40)	Admin CAP (20% of total allocation)
$	313,121.60	Available for Programming

Proposed Project Name	Funding	Goal Supported	Proposed Amount
Housing Rights Center	CDBG Admin	Expand fair housing choice and access	$ 20,000
CDBG Program Administration	CDBG Admin	Planning and Administration	$ 211,826
Section 108 - Whittier Blvd.	CDBG	Expanding Economic Opportunities	$ 462,221
Fire Station Improvements	CDBG	Public Facilities and Infrastructure	$ 465,084
Street Improvements	CDBG	Create Sustainable Neighborhoods	$ 77,988
Senior Center Improvements	CDBG	Public Facilities and Infrastructure	$ 342,443
HOME Program Administration	HOME Admin	Planning and Administration	$ 100,542
Housing Rehabilitation and Preservation Program (HRPP)	HOME	Maintain decent and energy efficient housing stock	$ 301,628
CDBG-CV Program Administration	CDBG-CV	Planning and Administration	$ 78,280
Montebello Community Assistance Program (MCAP)	CDBG-CV	Provide vital public services	$ 313,122

The Analysis of Impediments to Fair Housing Choice is a review of policies, procedures, and practices within the community that affect the location, availability and accessibility of housing and current residential patterns and conditions related to fair housing choice.

Fair Housing Choice is a condition in which individuals and families of similar income levels in the same housing market have a like range of choices available to them regardless of protected status. Federal and State Law define protected status as:

- Race
- Color
- Ancestry
- National Origin
- Religion
- Sex
- Age
- Disability
- Familial Status
- Marital Status
- Sexual Orientation
- Source of Incomer
- Any other arbitrary factor

The City actively promotes fair housing and has conducted a study to find ways to improve equal housing opportunities for all residents**.**

The Analysis of Impediments to Fair Housing Choice is a study of actions, omissions, or decisions that restrict housing choices or the availability of housing choices or that have the effect of restricting choice or availability.

The scope of analysis includes:

The Citizen Participation Plan outlines the process when conducting program planning and reporting for the CDBG and HOME programs. The Citizen Participation Plan (CPP) sets forth policies and procedures to encourage citizen involvement and provides an opportunity for nonprofit service agencies and the community to work in partnership with the City to identify needs and allocate CDBG and HOME funds.

The proposed CPP incorporates HUD flexibilities in response to the recent pandemic and to account for other emergency situations. HUD released a memorandum to waive Community Planning and Development (CPD) Grant Program and Consolidated Plan Requirements to prevent the spread of COVID-19 and mitigate economic impacts caused by COVID-19. In order to balance the need to respond quickly to the growing spread and effects of COVID-19, and given the need to expedite actions to respond to COVID-19, HUD is currently waiving 24 CFR 91.105(c)(2) and (k), 91.115(c)(2) and (i), in regards to the statutory requirement to provide

reasonable notice and opportunity for citizens to comment on substantial amendments concerning the proposed uses of CDBG and HOME funds.

In addition to the HUD flexibilities language, the proposed changes to the Citizens Participation Plan (CPP) include:

- Adding the City's website to make documents available as an alternative format for persons needing reasonable accommodation and in response to the COVID-19 restrictions.
- Clarification on what constitutes a Substantial Amendment for the purpose of the Consolidated Plan. A Substantial Amendment is proposed to be defined as a cumulative change equal to or more than 50% of the City's CDBG or HOME entitled for the program year.
- A Substantial Amendment shall be noticed announcing a 30-day public review and comment period.
- Added a section addressing the Analysis of Impediments to Fair Housing Choice further outlining the public engagement process, noticing, comment period and hearing requirements.
- Added a section addressing the Annual Action Plan further outlining the public engagement process, noticing, comment period and hearing requirements.
- Added a section pertaining to Amendments to the Citizens Participation Plan further outlining the public engagement process.
- Added a section addressing Contingency Plan in the Event of an Emergency/Disaster allowing reduced noticing requirement to at least five (5) calendar days and allows City Council to reprogram funds in response to such emergency when in session or ratification of the reallocation when the City Council is in recess.

  Policies and Procedures Manual have been updated to include the required Program Cost Accounting and Finance procedures that provide guidance in the overall administration and financial management of the federally funded HUD programs. The main objective of the Policies and Procedures are to ensure that program funds are expended and provide benefit to low-income eligible recipients and complies with the national objectives, where applicable.

The Policies and Procedures Manuals include a sample of all forms used, an organizational chart to delineate responsibilities, monitoring schedules, financial reconciliation procedures, standard procedures, general operating procedures, and other resource materials necessary for administering the programs in compliance with HUD regulations.

ENVIRONMENTAL

The California Environmental Quality Act (Section 2100, et. seq. of the California Public Resources Code, hereafter "CEQA") requires analysis of agency approvals of discretionary "projects." A "project," under CEQA, is defined as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment" (State CEQA Guidelines Section 15378). The proposed Project is a project under CEQA.

Staff has reviewed the Project to determine the required level of review under CEQA and has determined that the proposed Project is exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the State CEQA Guidelines states that an activity is covered by the common sense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review. Nevertheless, it is important to note that specific projects/programs that qualify for funding under the proposed Project may be subject to environmental review prior to implementation.

NEXT STEPS/RECOMMENDATION

Following City Council adoption, the Five-Year Consolidated Plan, the Annual Action Plan and Citizens Participation Plan will be submitted to HUD.

ATTACHMENT(S):

1. Proposed Resolution
2. Five-Year Consolidated Plan with Annual Action Plan
3. Analysis of Impediments to Fair Housing Choice
4. Citizen Participation Plan
5. HOME Investment Partnership Program Policies and Procedures Manual
6. Community Development Block Grant Program Policies and Procedures Manual
7. Notice of Publication

ATTACHMENT 1

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF MONTEBELLO, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, APPROVING THE FIVE-YEAR CONSOLIDATED PLAN 2020-2025, 2020 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE, FISCAL YEAR 2020-2021 ANNUAL ACTION PLAN, CITIZEN PARTICIPATION PLAN, AND POLICY AND PROCEDURES MANUAL FOR HOME INVESTMENT PARTNERSHIP PROGRAM AND COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, AND AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO SUBMIT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the City of Montebello ("City") participates in the U.S. Department of Housing and Urban Development's ("HUD") Consolidated Plan Process and receives Community Development Block Grant ("CDBG"), and Home Investment Partnership ("HOME"), funds. Agencies that receive funds from HUD are required to prepare and submit a Five-Year Consolidated Plan and an Annual Action Plan; and

WHEREAS, the City wishes to receive HUD funds to provide decent housing, a suitable living environment, and economic opportunities to develop a viable urban community for low to moderate income households; and

WHEREAS, the City has developed a Consolidated Plan, including an Annual Action Plan, an Analysis of Impediments to Fair Housing Choice, and Citizen Participation Plan, and has satisfactorily followed HUD requirements for the creation of each.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. The City Council does hereby declare that the above recitals are true and correct and are incorporated herein by reference.

SECTION 2. The City Council hereby find that adoption of the Five-Year Consolidated Plan 2020-2025 and 2020-2021 Annual Action Plan, the Analysis of Impediments to Fair Housing Choice, the Citizen Participation Plan, and the Policy and Procedures Manual for the HOME Investment Partnership Program and Community Development Block Grant Program is a "project" under the California Environmental Quality Act (CEQA), however it qualifies for an exemption under CEQA Guidelines Section 15061(b)(3), which exempts activities under the common sense rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The specific programs proposed under this project may nevertheless be subject to environmental review prior to implementation at a later time.

SECTION 3. The City Council hereby approves the Five-Year Consolidated Plan 2020-2025 and 2020-2021 Annual Action Plan, the Analysis of Impediments to Fair Housing Choice, the Citizen Participation Plan, and the Policy and Procedures Manual for the HOME Investment Partnership Program and Community Development Block Grant Program.

SECTION 4. The adoption of this Resolution will serve as approval of the Five-Year Consolidated Plan 2020-2025, 2020-2021 Annual Action Plan, the 2020 Analysis of Impediments to Fair Housing Choice, the Citizen Participation Plan, and the Policy and Procedures Manual for the HOME Investment Partnership Program and Community Development Block Grant Program.

SECTION 5. The City Manager, and/or his designee, is authorized to take reasonable action needed to implement this Resolution, including submittal of the Consolidated Plan and Action Plan to the appropriate HUD office on behalf of the City. The City Manager, or designee, is further authorized to promulgate and implement administrative policies and procedures needed to effectuate the Consolidated Plan,

Action Plan, Analysis of Impediments to Fair Housing Choice, the Citizen Participation Plan, and the Policy and Procedures Manual for the HOME Investment Partnership Program and Community Development Block Grant Program.

SECTION 6. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Resolution are severable.

SECTION 7. The City Manager and/or his designee are hereby directed to file a copy of said Consolidated Plan, Annual Action Plan, Analysis of Impediments to Fair Housing Choice, and the Citizen Participation Plan with HUD.

SECTION 8. The City Manager is hereby authorized to enter into agreements with eligible sub-recipients, in a form acceptable to the City Attorney.

SECTION 9. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Montebello at the regular meeting of this 23rd day of September 2020.

_____
Salvador Melendez
Mayor of the City of Montebello

ATTEST:

_____
Irma Barajas
City Clerk of the City of Montebello

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF MONTEBELLO)

I, Irma Barajas, City Clerk of the City of Montebello, do hereby certify that the above and foregoing Resolution No. _____ was passed, approved, and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a meeting of said City on this 23rd day of September 2020, and that said Resolution was adopted by the following votes to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Irma Barajas
City Clerk of the City of Montebello

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

_____
Irma Barajas
City Clerk of the City of Montebello

City of Montebello

Los Angeles County, California

2020-2025 Consolidated Plan
&
2020 Annual Action Plan

DRAFT September 2020

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EXECUTIVE SUMMARY

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

Each year the U.S. Department of Housing and Urban Development (HUD) provides funding for housing and community development programs to the City of Montebello, specifically Community Development Block Grant (CDGB) and Home Investment Partnerships (HOME) Program funds. In order to receive these funds, the City must complete a report every three to five years called the Consolidated Plan (ConPlan).

The purpose of the ConPlan is to identify Montebello's housing and community development needs, priorities, goals, and strategies and to stipulate how funds will be allocated to housing and community development activities over the next five years.

The City's Planning & Community Development Department (PCD) is the lead agency in developing the 2020–2025 ConPlan. The plan was prepared in accordance with HUD's Office of Community and Planning Development (CPD) eCon Planning Suite (launched in May 2012), including the ConPlan template in Integrated Disbursement and Information System (IDIS). Most of the data tables in the plan are populated with default data from the US Census Bureau, mainly 2011–2015 Comprehensive Housing Affordability Strategy (CHAS) and American Community Survey (ACS) data. Other sources are noted throughout the plan, including the addition of more recent data where practical. The research process involved the analysis of the following key components: demographic, economic, and housing data; affordable housing market; special needs populations (homeless and non-homeless); consultation with public and private agencies; and citizen participation.

The planning process also included the development of the first-year Action Plan, which is the annual plan the City prepares pursuant to the goals outlined in the ConPlan. The Annual Action Plan (AAP) details the activities the City will undertake to address the housing and community development needs and local objectives using CDBG and other housing funds received during program year 2020–2021.

This report is divided into following sections, with the Needs Assessment, Market Analysis, and Strategic Plan forming the key sections of the ConPlan:

- Executive Summary
- Process
- Needs Assessment
- Housing Market Analysis
- Strategic Plan
- Annual Action Plan

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The City has organized its priority needs according to the structure presented in HUD regulations (24 CFR 91.215): affordable housing, homelessness, and non-housing community development. Priority is assigned based on the level of need demonstrated by the data that has been collected during plan preparation, specifically in the Needs Assessment and Market Analysis; the information gathered during the consultation and citizen participate process; and the availability of resources to address these needs. Based on all of these components, housing needs, homelessness activities, fair housing, public services, and public improvements are considered high priority needs.

A summary of some of the findings used to determine priority needs include the following:

Low Income and Poverty:

- 63 % of the total households are at or below 80% of AMI and considered “low income,’ per HUD regulations
- 20% of the total households are considered extremely low income or below 30% of AMI.
- 13% of all residents in the City are living below poverty of which 21% are African American and 17% are Hispanic
- 48% of the City’s low income households spend more than 30% of their households income on housing costs and 24% spend over 50% of their household income on housing costs
- 72% of the families with small children in the City are low income and 22% are extremely low income

Housing:

- 56% of the total dwellings are renter-occupied
- 40% of the City’s total housing units are multi-family
- Median income has decreased 11% over the last 7 years
- Number of households has increased 7%, however the increase in housing stock has only increased 4%
- Most common housing problems are cost burden households (74% are renters) (54% are from small related households)
- In the last 7 years however, the number of affordable units between $500-$999 per month has decreased by 18%, while the total number of units between $1,000-$1,499 and $1,500-$1,999 increased by 6.40% and 7.19% respectively. From 2010 to 2017 there was an overall increase of 1,284 housing units (Source: AI, 2020)
- Overall, lower income households, particularly 0-30% AMI and 30-50% AMI, as a whole are disproportionately affected by housing problems
- 47.7% of LMI households in the City experience a severe housing problem. Hispanic households in the 0-30% AMI category are disproportionately affected at a rate of 76.5%

Homeless:

- 92% of the homeless persons are single adults
- 42% of the homeless persons experience domestic violence
- There are no homeless shelters in the City however there were 170 unsheltered homeless persons counted in the 2020 Los Angeles Homeless Services Authority (LAHSA) homeless count

Other Special Needs:

- 13% of the City’s population is living with disabilities which, 85.08% are elderly
- 64% of LMI households have at least one person 62 years of age of older
- 29% of households are single parent households
- 78% of the total City population is Hispanic

AI Summary:

- Current zoning and land use policies deter affordable housing development

During the five-year plan period, the City expects to receive approximately $650,000 annually in CDGB funding and $300,000 annually in HOME funding for a five-year total of $4,750,000. In 2019 the City utilized CDBG funds as a voluntary grant reduction in lieu of repayment on HOME administration activities. The City uses CDBG funds for public services, public improvement, housing activities, Section 108 loan repayments, and planning and administrative costs. HOME funds are used for providing decent affordable housing for lower-income households. The CDBG program's primary objective is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income. Funds can be used for a wide array of activities, including the general funding categories of housing, homelessness, public services, public improvements, and economic opportunities.

Previous 5-Year Allocations & 2020-2025 Estimated Allocation		
Funding Year	**CDBG**	**HOME**
2015	$666,180	$211,802
2016	$631,664	$213,753
2017	$597,005	$597,005
2018	$669,491	$299,865
2019	$677,645	$269,841
Total	**$3,241,985**	**$1,592,266**
2020-2025 Estimate	$3,250,000	$1,500,000
Future Annual Estimate	$650,000	$310,000

3. Evaluation of Past Performance

The City prepares the Consolidated Annual Performance and Evaluation Report (CAPER), which outlines how the City met the needs and objectives outlined in the prior 2015-2020 ConPlan and 2015 AAP. The City's most recent 2018-2019 CAPER reports on the fourth year of the five-year 2015-2020 ConPlan. The City's key accomplishments over the 2015-2020 Consolidated Plan periods include the following:

a) Provided housing rehabilitation loans to assist 7 homeowners improve their primary residence.
b) Housing Authority of County of Los Angeles (LACDA) provided rental assistance utilizing the Section 8 – Housing Choice Voucher Program to about 726 households annually.
c) Assisted 137 households with fair housing services to address impediments to fair housing. That is an estimated 685 households served over a 5 year period.
d) Provided financial support to public and nonprofit agencies that assisted 30 lower-income youth.
e) Provided financial support to public and nonprofit agencies that provided services to homeless and special needs low – and moderate – income persons, totaling 3,591 persons.
f) Provided financial assistance for CDBG eligible projects that improved or upgraded the City's public facilities or infrastructure, benefitting 23,112 low – and moderate – income persons.

4. **Summary of citizen participation process and consultation process**

The City of Montebello, in preparation of the 2020-2025 Consolidated Plan (ConPlan), implemented a variety of community engagement methods to solicit input on community and resident services, housing issues and future use of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and HOME funds. The following engagement methods:

- Community Needs Survey
- Stakeholder Interviews
- Social Service Consultation

An online Community Needs Survey was available for resident and social services response. The link to the survey was printed on flyers and postcards and posted on the City's social media and website requesting community response. English and Spanish language postcards, roughly 3,500 were distributed to five (5) elementary schools and two (2) parochial schools in the City. The postcard invited residents to complete the online survey and participate in the outreach process for the development of the ConPlan. Two (2) Community meetings were held at City Hall Council Chambers. The meeting notice was published in the San Gabriel Valley Tribune on January 9, 2020 describing the two community meetings to be held on Thursday, January 23 and Monday, January 27, 2020 at 6pm. There was low attendance; noting only four residents were in attendance. The meeting agenda included a description of the ConPlan as well as the engagement process.

The Community Engagement Program included stakeholder interviews. Significant coordination was made with public, faith-based organizations, educational institutions, housing services, and health and social service organizations including: homeless persons and families, persons with HIV/AIDS, victims of domestic violence, senior citizens, and extremely low to low income populations. In January questionnaires and phone/or in-person interviews occurred with the following agencies, City staff and elected officials:

- Danilo Batson, Public Works Director
- Mayor Salvador Melendez
- Councilmember David Torres
- Heart of Compassion
- Housing Rights Center
- Councilmember Jack Hadjinian
- Los Angeles Homeless Services Authority
- Gateway Cities Council of Governments
- Mayor Pro Tem Kimberly Cobos-Cawthorne
- Joseph Palombi, Community Development Director
- Montebello Housing Development Corporation

5. **Summary of public comments**

Any public comments received were incorporated into the ConPlan as well as an attached Community Engagement Summary.

6. **Summary of comments or views not accepted and the reasons for not accepting them**

Any comments received will be accepted and incorporated into the ConPlan.

7. Summary

The City's overall objective for the CDBG program is to create a viable community by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low – and moderate – income. To accomplish this objective in the City of Montebello, the following ConPlan goals were adopted:

- Increase affordable housing opportunities
- Maintain decent and energy efficient housing stock
- Create sustainable neighborhoods
- Expand fair housing choice and access
- Provide vital public services
- Increase earning capacity for LMI families
- Planning and administration
- Promote economic opportunities

THE PROCESS

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. **Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.**

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	MONTEBELLO	Planning & Community Development Department
HOME Administrator	MONTEBELLO	Planning & Community Development Department

Table 1 – Responsible Agencies

Narrative

Consolidated Plan Public Contact Information

City of Montebello
Community Development Department
1600 West Beverly Boulevard
Montebello, California 90640
Phone: (323) 887-1200
Attn: Joseph Palombi, Director

PR-10 Consultation - 91.100, 91.200(b), 91.215(l)

Introduction

Below is a discussion of the consultation process conducted during the development of the ConPlan

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies (91.215(l)).

During the preparation of the AAP, the City consulted with a variety of agencies including local and regional social services agencies, Gateway Cities Council of Governments, Los Angeles Homeless Services Authority (LAHSA), County of Los Angeles Department of Public Health (DPH), and Los Angeles Center for Alcohol and Drug Abuse (LACADA), and Los Angeles Development Authority (LADA). Local social services included the Heart of Compassion, Housing Right Center (HRC), Montebello Housing Development Corporation (MHDC), Montebello-Commerce YMCA, SYEP, and the East San Gabriel Valley Coalition.

The goal of the consultation process was to solicit input and gather data on priority needs of the City of Montebello and to identify opportunities for coordination to improve availability and access to services.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City of Montebello is a participant in the LAHSA Continuum of Care (CoC). The City is served by the Service Planning Area (SPA) 7 located in the East Los Angeles area. SPA 7 comprises of 28 cities, including Montebello. During the consultation process it became clear that the needs of the homeless persons in the city and the surrounding area are served through a network of agencies and service providers including LAHSA; the City; Montebello Police Department; the school districts in the area; and social service agencies.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards, and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS.

The City of Montebello does not have a sufficient population to receive Emergency Solutions Grant (ESG) funding directly. LAHSA administers ESG funding in the Los Angeles County metropolitan area.

The Homeless Management Information System (HMIS) is used by the CoC to collect client-level data and data on the provision of housing and services to homeless individuals and families, and persons at risk of homelessness. Through the HMIS, a community should be able to collect information from projects serving homeless families and individuals to use as part of their needs analyses and to establish funding priorities.

1. **Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction consultations with housing, social service agencies and other entities**

1	**Agency/Group/Organization**	Los Angeles County Development Authority (LACDA)
	Agency/Group/Organization Type	Housing, PHA, Services-Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment, Public Housing Needs, Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	An in-person interview, July 2019, was conducted and identified as a valuable resource to the City for addressing local needs for publicly assisted housing.
2	**Agency/Group/Organization**	Hearts of Compassion
	Agency/Group/Organization Type	Services – Community Development
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Organization was contacted and provided input on fair housing issues, environmental justice, and economic development.
3	**Agency/Group/Organization**	Los Angeles Homeless Services Authority (LAHSA)
	Agency/Group/Organization Type	Services - Homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs Homeless Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Input was obtained by e-mail, website, and published reports Homeless count, strategies, and ongoing coordination
4	**Agency/Group/Organization**	Housing Rights Center
	Agency/Group/Organization Type	Services Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Organization was contacted and provided input on fair housing issues, and landlord/tenant complaints.
5	**Agency/Group/Organization**	Montebello Housing Development Corporation (MHDC)
	Agency/Group/Organization Type	Services – Homebuyer Assistance Services – Housing Services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Via e-mails and phone-calls Improved input on fair housing issues.

6	**Agency/Group/Organization**	Gateway Cities Council Of Governments
	Agency/Group/Organization Type	Council of Governments
	What section of the Plan was addressed by Consultation?	Comprehensive Economic Development Strategy (CEDS)
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Via e-mails and review of published reports Improved coordination on addressing low skilled worker needs

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

The City consulted with a variety of agencies serving Montebello residents and the region. No agency types were specifically left out of the consultation process.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	LAHSA	Both address issues pertaining to homelessness and special needs households
Housing Element 2016-2021 Update 2020	City of Montebello	Both address special needs populations (particularly single parent, elderly and larger households), build more affordable housing, high cost of housing, low vacancy rates, maintenance and conservation of housing, promote fair housing practices, density bonus, mixed use development, and home ownership assistance.
Measure H	Los Angeles County Homeless Initiative	Permanent housing, veteran homelessness, homeless incentive Program, landlord assistance. Over 900 individuals have been housed over the last 3 years.

Table 3 – Other Agency Participation Outreach

Narrative (optional): See description above.

PR-15 Citizen Participation

Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

In developing this Annual Action Plan, the City followed its approved Citizen Participation Plan, which meets HUD's Federal requirements for citizen participation. The City offered several opportunities for participation and comment throughout the ConPlan process. There were two public meetings held on January 23 and January 29, 2020 to solicit public input on the ConPlan, Analysis of Impediments (AI), and 2020 AAP process and community needs. A 30-day public review period for the ConPlan and 2020 AAP will be conducted in 2020. Following this, a final City Council public hearing will be held for the adoption of the ConPlan, AI, and 2020 AAP.

If public comments are received through the citizen participation process, they will be essential to identifying priority needs along with the results of the Community Needs Survey. Most of the needs identified throughout the ConPlan process were incorporated. Table 4 describes the ConPlan citizen participation initiatives.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community	Presentation will be given to City Council and public on the process and outcomes	There was no public comment.	There was no public comment.	
2	Community Needs Survey	Non-targeted/broad community	A survey summary was prepared (See attached)	The survey was completed online.	An online survey was completed and a summary is included in the ConPlan (See Appendix: Community Engagement Summary)	
3	Stakeholder Interviews and consultation	Targeted Stakeholders and social service agencies	A summary of the Stakeholder interviews was prepared (See Attached)	Interviews were conducted in person and over the telephone	All comments were documented and summarized (See Attachment)	
4	Public Hearing #1	Non-targeted/broad community	Presentation given to City Council and public on the process and to receive input and direction	There was no public comment	There was no public comment	
5	Public Hearing #1	Non-targeted/broad community	Presentation will be given to City Council and public on the process and outcomes	TBD	TBD	

Table 3 – Citizen Participation Outreach

NEEDS ASSESSMENT

NA-05 Overview

Needs Assessment Overview

This section of the plan provides a summary of the City's needs related to affordable housing, special needs housing, community development, and homelessness. The Needs Assessment includes the following sections:

- Housing Needs Assessment
- Disproportionately Greater Need
- Public Housing
- Homeless Needs Assessment
- Non-Homeless Needs Assessment
- Non-Housing Community Development Needs

The Needs Assessment identifies those needs with the highest priorities, which form the basis for the Strategic Plan section and the programs and projects to be administered. Most of the data tables in this section are populated with default data from CHAS, developed by the Census Bureau for HUD based on the 2011–2015 ACS 5-Year Estimates. Other sources are noted throughout the ConPlan.
A key goal of the Needs Assessment section is to identify the nature and prevalence of housing problems experienced by City residents, property owners, landlords and businesses. The main housing problems looked at are: (a) cost-burdened households; (b) substandard housing; and (c) overcrowding. Housing problems, when compared to economic and demographic indicators, discern if certain groups or populations carry a disproportionate burden. Such as, are Black/African-American households more cost-burdened than other racial groups? Do low-income households experience higher levels of overcrowding? Do large families have more housing problems than small families? Understanding the magnitude and incidence of housing problems in the community is crucial in aiding the City in setting evidence-based priorities and project work for the CDBG and HOME programs and funding.

NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

Summary of Housing Needs

The data in this section analyzes households with housing problems, those experiencing (1) overcrowding; (2) substandard housing; (3) cost burden (paying more than 30% of household income for housing costs); and (4) severe cost burden (spending over 50% of household income for housing costs). The following income categories are used throughout the plan:

- Extremely low – households with income less than 30% of AMI
- Very low – households with income between 30% and 50% of AMI
- Low – households with income between 51% and 80% of AMI
- Moderate – households with income between 81% and 120% of AMI
- Above moderate – households with income above 120% of AMI

Based on the data below, there are 63,530 people residing in the City comprising 19,815 households. Of these households, approximately 63% are at or below 80% of AMI and considered "low income," per HUD regulations, and 20% of the City's households qualify as extremely low income. 2013-2017 ACS data estimates state there is an estimated 19,844 occupied dwelling units in the City, 55.7% of which were renter-occupied.

The Center for American Progress published the 2018 California Report states that for every 100 renter households with very low incomes at or below 50% of the area median income, there are only 31 affordable units. For those living in poverty only 12.7% can afford health insurance coverage. In the City itself, the ACS 5-year Estimate lists 13.8% of the total population living with an income below the poverty line, just slightly higher than the rest of the state.

43% of the City's LMI households (up to 80% of AMI) spend more than 30% of their household income on housing and 24% of them spend over 50% of their household income on housing. In both cases, about nearly twice as many renters face this problem as homeowners. Overcrowding for renters is also a housing problem, which may reflect the inability of households to afford larger units, possibly as a result of a shortage of affordable housing for larger households.

Demographics	Base Year: 2009	Most Recent Year: 2015	% Change
Population	62,500	63,530	2%
Households	18,443	19,815	7%
Median Income	$51,449.00	$45,875.00	-11%

Table 5 - Housing Needs Assessment Demographics
Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	4,025	4,435	3,950	2,175	5,215
Small Family Households	970	1,700	1,980	1,170	2,755
Large Family Households	430	665	625	325	910
Household contains at least one person 62-74 years of age	1,045	850	860	500	1,385

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Household contains at least one person age 75 or older	1,160	560	520	260	685
Households with one or more children 6 years old or younger	665	850	675	409	450

Table 6 - Total Households Table
Data Source: 2011-2015 CHAS

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	105	70	15	10	200	15	10	0	0	25
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	95	130	95	20	340	0	20	10	25	55
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	370	425	285	155	1,235	25	75	90	80	270
Housing cost burden greater than 50% of income (and none of the above problems)	1,460	1,285	65	0	2,810	490	415	300	140	1,345

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Housing cost burden greater than 30% of income (and none of the above problems)	305	965	1,090	120	2,480	250	140	520	275	1,185
Zero/negative Income (and none of the above problems)	95	0	0	0	95	40	0	0	0	40

Table 7 – Housing Problems Table

Data Source: 2011-2015 CHAS

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	2,025	1,910	460	190	4,585	530	525	400	240	1,695
Having none of four housing problems	800	1,185	1,840	850	4,675	535	815	1,250	895	3,495
Household has negative income, but none of the other housing problems	95	0	0	0	95	40	0	0	0	40

Table 8 – Housing Problems 2

Data Source: 2011-2015 CHAS

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	770	1,135	625	2,530	85	290	485	860
Large Related	305	340	95	740	85	95	135	315

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Elderly	860	360	215	1,435	480	204	170	854
Other	395	850	320	1,565	115	45	55	215
Total need by income	2,330	2,685	1,255	6,270	765	634	845	2,244

Table 9 – Cost Burden > 30%

Data Source: 2011-2015 CHAS

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	600	425	10	1,035	85	235	155	475
Large Related	255	170	10	435	85	40	80	205
Elderly	715	205	10	930	255	180	60	495
Other	350	610	30	990	90	15	15	120
Total need by income	1,920	1,410	60	3,390	515	470	310	1,295

Table 10 – Cost Burden > 50%

Data Source: 2011-2015 CHAS

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	400	420	280	130	1,230	4	50	45	50	149
Multiple, unrelated family households	60	135	105	20	320	20	39	55	55	169
Other, non-family households	15	0	0	40	55	0	0	0	0	0
Total need by income	475	555	385	190	1,605	24	89	100	105	318

Table 11 – Crowding Information – 1/2

Data Source: 2011-2015 CHAS

	1990		2000		2010	
	Renter	owner	Renter	Owner	Renter	Owner
5 or more person households	2,013	1,909	2,315	1,986	2,281	2,049
% of total occupied households	10.8%	10.3%	23.4%	22.3%	22.3%	23.3%

Table 12 – Crowding Information – Data Source: Census 1990, 2000, 2010

Describe the number and type of single person households in need of housing assistance.

The City's Housing Element states that the housing stock growth has been, on average, similar to surrounding cities -- 3% to 7% and 7.9% for Montebello from 1990 to 2019. Single-family homes make up nearly 60% of the housing stock. The multi-family share is approximately 40% of the total housing units. While it is difficult to estimate the number of single-person households in need of housing assistance, short of having specific data available, it is likely that when single-person households experience financial hardships, they will be in need of housing assistance given there is only one household income. In support of this, the 2019 City Homeless Count reported by SPA 7 shows that that 4,714 out of 5,095 or 92 percent, of the homeless persons in SPA 7 were single adults, suggesting there are numbers of single-person households that fall into homelessness.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

According to housing choice voucher data for the city, assistance is provided to 582 households. However, there is no data that directly breaks down assistance provided to victims of domestic or dating violence, sexual assault, or stalking. Data does exist on homeless populations that may fall these categories, which can help estimate the number of these households in need. According to the 2019 Homeless Point-in-Time Count for SPA-7 in Los Angeles County, of the 5,095 total homeless persons, 2,155 individuals have had past experience with domestic violence.

What are the most common housing problems?

The two most common housing problems in the City are housing cost burden and severe housing cost burden. Of the 12,410 LMI households in the City, 68.6% (8,514 households) spend more than 30% of their income on housing. Additionally, 4,685 (37.8%) of them spend 50% or more of their income on housing. Out of all cost burdened households, 73.6% of them are renters compared to just 26.4% for owners.

Are any populations/household types more affected than others by these problems?

Small related family households that are also LMI are disproportionately affected by housing cost burden. In total, there are 8,575 small related households in the City, of which 54.2% are LMI. Out of this small related LMI group, 73.0% are cost burdened and spend more than 30% of their income on housing costs.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

According to CHAS and ACS data, there are currently 3,049 households in the City with children that are 6 years of age or less. Of these households, 71.8% of them are considered LMI (0-80% AMI). Additionally, 21.8% of these households are in the extremely low-income category alone (0-30% AMI). These households face unique needs by having to provide for young children with limited funds, which puts them in a situation with an increased risk of homelessness.

Los Angeles County has an extensive network of churches, nonprofit agencies, and governmental entities that offer assistance to keep people in their homes by providing temporary rental and utility assistance. Agencies providing homeless prevention services recognize that their common aim is to stabilize households and improve their housing stability to avoid future housing crises.

The CoC recognizes that families and individuals who become homeless are grappling with underlying issues that precipitated their housing crisis. The ultimate goal for those serving individuals and families at high risk of homelessness is to help them move toward self-sufficiency. Activities and services aimed at reducing the incidence of homelessness include:

- Rent/mortgage assistance
- Utility assistance
- Credit counseling
- Legal/mediation services
- Food banks and pantries
- Transportation/gas voucher
- Clothing assistance
- Prescription/medical/dental services
- Workforce development

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

This City has not conducted any type of at-risk population studies.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

For City residents, the primary housing characteristic that is linked to instability and an increased risk of homelessness is housing cost burden (paying more than 30% of gross income toward housing costs). Paying this percentage of income toward housing, especially for lower-income households, leaves insufficient resources to meet other needs such as food and clothing. This would also provide little, if any, ability to save money. Loss of a job or an unexpected bill can force these households to make difficult decisions.

Discussion

CHAS defines the term “housing problem” as a household with a cost burden greater than 30% of income and/or overcrowding and/or without a complete kitchen or plumbing facilities. There are four major housing problems according to HUD. They are as follows:

1. Lacks complete kitchen facilities
2. Lacks complete plumbing facilities
3. More than one person per room
4. Cost burden greater than 30 percent

Table 7 above is a summary of the housing problems in Montebello. Overall, 7,160 households experiencing housing problems are renters (71%) and 2,920 households are homeowners (29%).

NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

The next three sections will assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.
The racial and ethnic makeup of the City of Montebello is as follows:

- White 7.32%; Black / African American 1.21%; Asian 12.77%; American Indian, Alaskan Native 0.24%; Native Hawaiian, Pacific Islander 0.07%; Some Other Race 0.00%; Two or More Races 0.74%; Hispanic 77.65%

The ConPlan must identify racial or ethnic groups that experience a disproportionately greater extent of housing problems. HUD defines a disproportionately greater extent as a racial or ethnic group with at least 10% more housing problems than the percentage of population in the category as a whole. A household is considered to have a housing problem when their home lacks a complete kitchen or plumbing facilities, when there is more than one person per room, or when a cost burden (30% or more of household income is used for housing expenses) exists.

For the purposes of this ConPlan, disproportionately greater need is assumed to exist when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole.

A disproportionately greater need of households experiencing one or more of four housing problems will be assessed at the extremely low income level (0–30% of AMI), the very low income level (30–50% AMI) and the low income level (50–80% AMI).

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,110	780	135
White	380	170	15
Black / African American	35	0	0
Asian	350	255	39
American Indian, Alaska Native	10	0	0
Pacific Islander	0	0	0
Hispanic	2,310	345	80

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,540	890	0
White	295	145	0
Black / African American	30	4	0
Asian	260	250	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	2,940	490	0

Table 14 - Disproportionally Greater Need 30 - 50% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,470	1,480	0
White	165	110	0
Black / African American	4	10	0
Asian	210	290	0
American Indian, Alaska Native	10	0	0
Pacific Islander	0	0	0
Hispanic	2,070	1,070	0

Table 15 - Disproportionally Greater Need 50 - 80% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	825	1,355	0
White	135	165	0
Black / African American	0	4	0
Asian	95	190	0
American Indian, Alaska Native	10	20	0
Pacific Islander	0	0	0
Hispanic	550	945	0

Table 16 - Disproportionally Greater Need 80 - 100% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

Discussion

Data shows that for the 0-30% AMI populations, Black/African American households and American Indian/Alaskan Native households are both disproportionately affected. Overall, the 0-30% AMI bracket is affected by housing problems at a rate of 79.9%, and the two aforementioned racial populations are affected at a rate of 100% in the 0-30% AMI bracket.

There are no disproportionately affected groups in the 30-50% AMI bracket or the 80-100% AMI bracket. However, American Indian/Alaskan Native households in the 50-80% AMI bracket are disproportionately affected by housing problems at a rate of 100% when compared to jurisdiction average of 62.5%.

Overall, lower income households as a whole are disproportionately affected by housing problems. The rates for each income bracket were as follows:

- 0-30% AMI – 79.9%
- 30-50% AMI – 79.9%
- 50-80% AMI – 62.5%
- 80-100% AMI – 37.8%

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

A household is considered to have severe housing problems when their home lacks complete kitchen or plumbing facilities, when there is more than one and a half persons per room, or when a severe cost burden (50$ or more of income spent toward housing) exists.

For purposes of this ConPlan, disproportionately greater need is assumed to exist when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole.

A disproportionately greater need of households experiencing one or more of four severe housing problems will be assessed at the extremely low income level (0–30% of AMI), the very low income level (30–50% of AMI) and the low income level (50–80% of AMI).

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,555	1,335	135
White	280	280	15
Black / African American	35	0	0
Asian	180	420	39
American Indian, Alaska Native	0	10	0
Pacific Islander	0	0	0
Hispanic	2,035	625	80

Table 17 – Severe Housing Problems 0 - 30% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,435	2,000	0
White	215	225	0
Black / African American	10	30	0
Asian	155	355	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	2,040	1,390	0

Table 18 – Severe Housing Problems 30 - 50% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	860	3,090	0
White	60	215	0
Black / African American	4	10	0
Asian	70	425	0
American Indian, Alaska Native	0	10	0
Pacific Islander	0	0	0
Hispanic	720	2,425	0

Table 19 – Severe Housing Problems 50 - 80% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	430	1,745	0
White	100	200	0
Black / African American	0	4	0
Asian	45	240	0
American Indian, Alaska Native	10	20	0
Pacific Islander	0	0	0
Hispanic	275	1,220	0

Table 20 – Severe Housing Problems 80 - 100% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

Discussion

Overall, 47.7% of LMI households in the City experience a severe housing problem. When all income brackets are pooled together, no racial or ethnic group is disproportionately affected. However, when broken down by income level, a few groups meet the threshold.

In the 0-30% AMI income bracket, all 35 black households suffer from a severe housing problem for a rate of 100%, compared to the jurisdiction wide rate of 65.7%. On a much larger scale, Hispanic households are also disproportionately affected at this income level at a rate of 76.5%. While not considered low-income, there are two groups in the 80-100% AMI group that are disproportionately affected when compared to the jurisdiction rate of 19.8%, and these are white households (33.3%) and American Indian/Alaskan Native households (33.3%).

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

Housing cost burden is defined as a household spending more than 30 percent of its gross income on housing expenses. A severe cost burden exists when a household expends more than 50 percent of its gross income on housing expenses.

A disproportionately greater need is assumed to exist when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	10,155	4,650	4,850	145
White	1,250	395	625	15
Black/African American	65	20	45	0
Asian	2,075	560	405	39
American Indian, Alaska Native	45	20	0	0
Pacific Islander	0	0	0	0
Hispanic	6,630	3,600	3,750	90

Table 21 – Greater Need: Housing Cost Burdens AMI

Data Source: 2011-2015 CHAS

Discussion:

Overall, 48.3% of City households that are occupied experience a housing cost burden of at least 30 percent. At this overall level, there is no racial or ethnic group that meets the 10% threshold needed to declare a disproportionate need. In addition, there is no group with a cost burden between 30-50% with a disproportionate occurrence either. Without rounding, there is also no group that meets the 10% threshold for racial and or ethnic groups with a housing cost burden over 50%. The jurisdiction as a whole is cost burdened by at least 50% at a rate of 24.7%. Black/African American households spend at least 50% of their income on housing at a rate of 34.6% (a difference of 9.9% when compared to the overall jurisdiction. However, when rounding, Black/African American households are disproportionately affected by severe housing cost burden (Jurisdiction 25%; Black/African American 35%).

NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

Housing Problems

Data shows that for the 0-30% AMI populations, Black/African American households and American Indian/Alaskan Native households are both disproportionately affected. Overall, the 0-30% AMI bracket is affected by housing problems at a rate of 79.9%, and the two aforementioned racial populations are affected at a rate of 100% in the 0-30% AMI bracket.

There are no disproportionately affected groups in the 30-50% AMI bracket or the 80-100% AMI bracket. However, American Indian/Alaskan Native households in the 50-80% AMI bracket are disproportionately affected by housing problems at a rate of 100% when compared to jurisdiction average of 62.5%.

Overall, lower income households as a whole are disproportionately affected by housing problems. The rates for each income bracket were as follows:

0-30% AMI – 79.9%
30-50% AMI – 79.9%
50-80% AMI – 62.5%
80-100% AMI – 37.8%

Severe Housing Problems

Overall, 47.7% of LMI households in the City experience a severe housing problem. When all income brackets are pooled together, no racial or ethnic group is disproportionately affected. However, when broken down by income level, a few groups meet the threshold.

In the 0-30% AMI income bracket, all 35 black households suffer from a severe housing problem for a rate of 100%, compared to the jurisdiction wide rate of 65.7%. On a much larger scale, Hispanic households are also disproportionately affected at this income level at a rate of 76.5%. While not considered low-income, there are two groups in the 80-100% AMI group that are disproportionately affected when compared to the jurisdiction rate of 19.8%, and these are white households (33.3%) and American Indian/Alaskan Native households (33.3%).

Cost Burden

Overall, 48.3% of City households that are occupied experience a housing cost burden of at least 30 percent. At this overall level, there is no racial or ethnic group that meets the 10% threshold needed to declare a disproportionate need. In addition, there is no group with a cost burden between 30-50% with a disproportionate occurrence either. Without rounding, there is also no group that meets the 10% threshold for racial and or ethnic groups with a housing cost burden over 50%. The jurisdiction as a whole is cost burdened by at least 50% at a rate of 24.7%. Black/African American households spend at least 50% of their income on housing at a rate of 34.6% (a difference of 9.9% when compared to the overall jurisdiction. However, when rounding, Black/African American households are disproportionately affected by severe housing cost burden (Jurisdiction 25%; Black/African American 35%).

If they have needs not identified above, what are those needs?

Any need corresponding to affordable housing measures and affordable housing improvements would serve the needs of these groups identified above.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

Due to the City having a Hispanic population that makes up 77.65% of the population, racial minorities appear to be widespread throughout the region, without much concentration of other groups in certain areas. Below is a map displaying racial or ethnic minorities at the census tract level, and percentages appear to be so high due to Hispanic populations being considered minorities, even though they are certainly the majority within the City.

City of Montebello %Racial Minority
Census Tracts

Legend

% Racial Minority 0.80 - 0.82 0.83 - 0.87 0.88 - 0.94 0.95 - 0.96 0.97 - 0.98

NA-35 Public Housing – 91.205(b)

Introduction

Public housing programs in Montebello are managed by LACDA. LACDA operates independently of the City of Montebello, and the City retains no control over its programs or housing units.

LACDA does not operate any public housing units in the City of Montebello, but it does offer the Housing Choice Voucher program to residents of Montebello. During the 2018–2019 program year, LACDA provided Housing Choice Vouchers to 582 Montebello households. Of that number, 276 were extremely low-income. The Housing Choice Voucher waiting list for the same year included 330 families. Housing Choice Vouchers require an inspection of the unit prior to move-in to ensure health and safety standards are met.

The numbers in the table below are the number of public housing units and housing vouchers for the entire Los Angeles County.

Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	253	2,883	21,087	47	20,550	268	163	59

Table 22 - Public Housing by Program Type

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Data Source: PIC (PIH Information Center)

Characteristics of Residents

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project - based	Tenant - based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income	0	14,341	13,522	14,839	15,746	14,816	14,829	17,842
Average length of stay	0	6	8	8	0	8	0	6
Average Household size	0	3	2	2	2	2	1	4
# Homeless at admission	0	0	0	184	0	42	142	0
# of Elderly Program Participants (>62)	0	48	1,138	6,753	15	6,670	38	2
# of Disabled Families	0	40	534	4,416	17	4,269	83	16
# of Families requesting accessibility features	0	253	2,883	21,087	47	20,550	268	163
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 23 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

	Program Type								
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	148	1,710	10,344	33	10,071	80	120	40
Black/African American	0	60	1,035	8,432	12	8,188	179	38	15
Asian	0	8	120	2,181	1	2,173	3	1	3

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
American Indian/Alaska Native	0	0	11	76	1	67	6	2	0
Pacific Islander	0	37	7	54	0	51	0	2	1
Other	0	0	0	0	0	0	0	0	0
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 24 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	124	1,121	7,293	11	7,122	40	105	15
Not Hispanic	0	129	1,762	13,794	36	13,428	228	58	44
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 25 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

Not applicable. There are no public housing units in the City.

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

Overall, 68.6% of LMI households within the City experience a cost burden of at least 30% which shows the lack of affordability in the housing market for these populations. Additionally, households with seniors and persons with disabilities may be further impacted by these issues, due to the challenges of rising medical costs and limited financial support. These needs are partially filled by the Housing Choice Voucher program in the City, as 296 vouchers went to either extremely low- or very low-income households, 136 vouchers went to elderly families, and 116 vouchers went to families with disabilities. These groups need continued support in order for their needs to be met, since the Analysis of Impediments to Fair Housing shows that income in the city is in decline yet housing costs have risen for both owners and renters.

How do these needs compare to the housing needs of the population at large

While the small decrease in median income since the last ConPlan may create needs for the population at large when paired with a spike in median home price and a steady rental market, the needs for LMI populations are typically more pressing. This is evidenced by the large proportion of Housing Choice Vouchers given to extremely low-income families. This group faces housing cost burden at a rate of 76.9% compared to the overall rate of 48.3%. When these groups have to spend an outsized amount of income on housing, little remains for other living expenses.

Discussion

Since the City does not have any public housing developments, the Housing Choice Voucher program provides much needed housing assistance and services that will allow recipients to maintain their housing stability.

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

The City collaborates with several nonprofit and other agencies that provide shelter and supportive services for the purpose of serving homeless persons and preventing homelessness. The Los Angeles metropolitan area is served by LAHSA. The CoC comprises eight SPAs; SPA 7 comprises the eastside of the County of Los Angeles, including the City. The data provided in the table below is from the Greater Los Angeles Count Point-In-Time counts.

Table 26 - PIT Count (City of Montebello)

Homeless Categories	2018	2019	2020
Total:	342	158	170
Unsheltered	334	158	170
Sheltered	8	0	0
Persons living in:			
Street	113	48	60
Makeshift shelters	35	31	47
Cars	42	15	18
Vans	49	23	20
RVs, campers	95	41	24
Tents	N/A	N/A	1

Data Source: LAHSA.org

Table 27 – PIT Count 2019 (SPA-7)

Population	Sheltered	Unsheltered	Total	Prevalence of Homeless Pop.	Percent Change from 2018
Total	**904**	**4,191**	**5,095**	**100%**	**+12%**
Individuals (those not in family units)	**625**	**4,089**	**4,714**	**93%**	**+21%**
Adults (over 24)	*521*	*3,727*	*4,248*	*83%*	*+15%*

Transition Age Youth (18-24)	*104*	*362*	*466*	*9%*	*+139%*
Chronically Homeless	*67*	*1,261*	*1,328*	*26%*	*+56%*
Veterans	*142*	*297*	*439*	*9%*	*+45%*
Unaccompanied Minors (Under 18)	*0*	*5*	*5*	*0.1%*	*+400%*
Family Members (In family units)	**279**	**97**	**376**	**7%**	**-44.1%**
Adult Family Members (Over 24 Head of Household)	*238*	*46*	*284*	*6%*	*-53%*
Young Family Members (18-24 Head of Household)	*41*	*51*	*92*	*2%*	*+46%*
Children in Families (Under 18)	*171*	*42*	*213*	*4%*	*-47%*
Chronically Homeless	*18*	*6*	*24*	*0.4%*	*-35%*
Veterans	*0*	*1*	*1*	*0.0%*	*N/A*
Veterans	**142**	**298**	**440**	**9%**	**+46%**
Chronically Homeless Veterans	*4*	*181*	*185*	*4%*	*+168%*
Chronically Homeless	**85**	**1,267**	**1,352**	**27%**	**+52%**
Individuals	*67*	*1,261*	*1,328*	*26%*	*+56%*
Family Members	*18*	*6*	*24*	*0.4%*	*-35%*

Data Source: Greater Los Angeles Point-In-Time Count 2019

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

This data is not available for the City or SPA-7.

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

LAHSA reported 170 homeless people were counted in January 2020. There is no breakdown of race/ethnicity or children etc. for the City as a whole. Overall, according to the Greater Los Angeles Homeless Point-in-Time Count, Table 28 shows there are 213 homeless children under 18 with their families in SPA-7, which represents about 4% of the total homeless population. This represents a significant decrease from 2018, a decline of 47%. However, LACDA PIT counts taken specifically for Montebello there were no Families with Children counted in 2019.

In addition, there is a total of 440 homeless veterans within SPA-7. Of this group, all but one are homeless individuals. According to the PIT counts taken for the City, there was just one homeless veteran family in 2019. The 440 homeless veterans represent 9% of the entire homeless population, an increase of 45% from 2018. Out of 440 homeless veterans, 185 are chronically homeless.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

The 2019 Greater Los Angeles Homeless Point-in-Time Count produced by LAHSA included data on homelessness by racial/ethnic group for SPA-7. Data was not available for the City alone. The breakdown is as follows:

Table 28 – Homelessness by Race/Ethnicity

Race/Ethnicity	Sheltered	Unsheltered	Total	Prevalence of Homeless Pop.	Percent Change
American Indian/Alaska Native	5	65	70	1%	+192%
Asian	8	16	24	0%	-49%
Black/African American	372	290	662	13%	+21%
Hispanic/Latino	385	2,241	2,626	52%	-1%
Native Hawaiian/Other Pacific Islander	2	75	77	1.5%	+126%
White	124	1,416	1,540	30%	+24%
Multi-Racial/Other	8	88	96	2%	+380%

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Table 26, Table 27 and Table 28 detail the extent of unsheltered and sheltered homelessness for each specific population. Overall SPA-7, unsheltered homeless is far more common than sheltered

homelessness, especially among individuals. Of the 5,095 homeless persons, 4,191 (82.3%) experience unsheltered homeless. For homeless individuals, 86.7% are unsheltered. However, for families, 279 of 376 (74.2%) are sheltered.

Data for the City alone shows that all homeless persons, 170 out of 170, are unsheltered. This represents a defined need for homeless shelters, emergency housing, and transitional housing in the City.

Discussion:

See above.

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

There are certain groups beyond homeless populations that may have more difficulty finding housing and may require specialized services or assistance. Due to their special circumstances, they are more likely to be low-income. These groups include the following:

- Elderly Households
- Disabled Households
- Large Households
- Single-Parent Households

Describe the characteristics of special needs populations in your community:

Elderly Households - 2011-2015 CHAS data showed that the City had a total of 7,825 households with at least one person 62 years of age or older. Of this total, 4,995 (63.8%) are LMI households. Out of these households, housing cost burden is a problem for this group. Over 33% of LMI Elderly households experience a cost burden of at least 30%, while over 28% experience severe cost burden.

Persons with Disabilities and Developmental Disabilities – The City has a total of 8,248 individuals with a disability. This represents 13.06% of the Citywide population. These populations are vulnerable to housing problems due to increased medical costs, and their potential need for specialized living units. The population with disabilities also typically aligns with City elderly populations, thus sharing some common housing needs. This is evidenced by the fact that 85.08% of persons with disabilities are 65 years of age or older.

Large Family Households - The City has a total of 2,955 large family households. These families typically have to buy larger houses, which naturally cost more, and can lead to housing cost burden among other financial problems. Of 2,955 households, 1,720 are LMI. Out of the Large Family LMI households, a high percentage are cost burdened (61.3% experience cost burden; 37.2% are severely cost burdened).

Single Parent Households – Specific data on housing problems for single parent households within the City is not readily available. However, these types of households are represented at a rate of 28.6% of all City households. These types of households are vulnerable to housing problems, including cost burden, due to having to provide for children with only one source of income.

What are the housing and supportive service needs of these populations and how are these needs determined?

Elderly Households - Senior housing needs may be more problematic to meet than the needs of other residents since seniors are often living on fixed incomes and many have special housing and care needs, primarily resulting from physical disabilities and limitations, income, and health care costs. Additionally, senior households have other needs that help preserve their independence including protective services to maintain their health and safety, in-home support services to perform activities of daily living, conservators to assist with personal care and financial affairs, public administration assistance to manage and resolve estate issues, and networks of care to provide a wide variety of services and daily assistance.

Persons with Disabilities and Developmental Disabilities - Persons with disabilities may have special housing needs because of health costs, fixed or limited incomes, and/or a lack of accessible and affordable housing. A disability is broadly defined by state and federal agencies as any physical, mental, or emotional condition that lasts over a long period of time, makes it difficult to live independently, and affects one or more major life activities. There are a number of housing types appropriate for people living with a developmental disability, including rent-subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, and HUD housing.

Large Family Households - Large households represent about 15 percent of the city's population. These households are forced to buy housing with more bedrooms, which naturally leads to higher costs. If families cannot afford these larger households, they run a risk of being cost-burdened, or buying smaller households which would lead to overcrowding.

Single Parent Households - Single-parent households may have special housing needs due to limited income and child day care requirements. These special needs particularly affect female householders with children because their income tend to be lower than male householders. Single-parent households generally have a higher ratio between their income and their living expenses. Therefore, finding affordable, decent, and safe housing is often more difficult for single-parent households.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

According to Los Angeles County's annual survey on the matter, there was a total of 1,949 residents that were newly reported as diagnosed with HIV infection in the County in 2016. This is a rate of 19 new cases per 100,000 persons. In total, there are 51,438 persons living with diagnosed HIV infection in the County. The number of deaths among persons with HIV infection has been steady in the County since 2010, with slight decreases for 2016 and 2017.

Discussion:

See above.

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction's need for Public Facilities:

Parks, recreation facilities, youth and community centers are all important elements to a family's quality of life. The addition of new green spaces in dense residential area of the City was specifically recommended as well as potentially new park space. Currently the City's ball fields are at capacity.

How were these needs determined?

Pertinent information was collected from the community engagement activities including Community Needs Survey, stakeholder interviews, and interviews with the City's public works department and Planning Department.

Describe the jurisdiction's need for Public Improvements:

Poor infrastructure affects or adds to the overall cost of development. Potential infrastructure constraints include low sewer and water service capacity (the City reports there are needed water system improvements); limited access to broadband particularly in lower income neighborhoods; road surfacing and accessible public facilities.

How were these needs determined?

Determinations were provided by the 2020 Housing Element Update and information collected by community engagement activities including community needs survey, stakeholder interviews, agency consultations, and interviews with the City's public works department and Planning Department. Also, the Community Needs Survey and interviews with City public works staff and Council determined that street improvements, sewer/storm sewer, and sidewalk and curbing improvements were needed.

Describe the jurisdiction's need for Public Services:

Public services come in many forms, and the jurisdiction has a particular need for community and public services such as park and recreation programs, programs for at-risk youth, homeless services, neighborhood crime prevention programs and childcare services and facilities.

How were these needs determined?

The needs above were determined after compiling and analyzing input from the community survey, as well as other community engagement activities, including stakeholder interviews with people present in the community.

HOUSING MARKET ANALYSIS

MA-05 Overview

Housing Market Analysis Overview:

This section looks at the housing market and supply in the City by analyzing housing indicators. Developing a picture of the current housing stock in the community begins by looking at trends in structure, age, price, and tenure. Furthermore, the supply of homeless shelter facilities, special needs services and housing, and non-housing community development resources are considered. The Housing Market Analysis, in conjunction with the Needs Assessment, will provide the basis for the Strategic Plan to identify programs and projects to be funded and administered as part of the CDBG program.

A summary of this section includes:
Housing types and sizes in the City vary, however 60% of the total housing market are single-family homes with 53% of units being single-family detached homes. Over 70% of the units in the City are 3 or more bedrooms with 45% of the total units being owner-occupied units. Notably nearly 88% of housing stock in the City was built in 1979 or earlier and a large portion of the housing stock may be in need of various forms of rehabilitation including lead-based paint removal, in order to improve conditions.

Currently, there are only 770 housing units affordable to the extremely low-income households. However, there is an estimated 4,025 households in the City that are present in this income bracket. There are similar problems and gaps in the housing market for households that make median income or less. In the last 10 years, the median income for the City has dropped nearly 10%. At the same time, the median contract rent has risen almost 10% creating more affordable housing issues. The non-homeless special needs populations experienced the highest rate of housing cost burden at 61%.

The City uses HOME funding to support efforts to increase affordable housing by assisting local Community Housing Development Organizations to acquire and/or rehabilitate rental properties for low- and moderate-income persons. LACDA administers the Housing Choice Voucher program for the area. Vouchers are currently held by 582 families within the City. City relies on several homeless-based organizations to provide a variety of public services for at-risk children, housing assistance, transitional shelters, motel vouchers, food, and counseling.

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

Single-family homes (1-unit structures) make up the majority of the housing market within the City. These homes compromise 60% of the housing market, with 53% of the housing market consisting of 1-unit detached structures alone. Multi-family units are relatively split between their respective brackets: 2-4 units (11%), 5-19 units (11%) and 20+ units (16%).

In terms of unit size, most owner-occupied homes are 3 or more bedrooms (76%), with a small amount representing 2-bedroom homes (21%), and just 4% consisting of one or zero bedroom homes. In total, owner-occupied homes represent 45.4% of the overall housing stock. This differs from renter-occupied units, where the largest portion consists of 2-bedroom units (46%). These are followed by one-bedroom units (32%), 3+ bedroom units (17%), and no bedroom units (5%). In total, renter-occupied households represent 54.6% of the housing stock.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	11,330	53%
1-unit, attached structure	1,585	7%
2-4 units	2,360	11%
5-19 units	2,365	11%
20 or more units	3,490	16%
Mobile Home, boat, RV, van, etc.	285	1%
Total	***21,415***	***100%***

Table 29 – Residential Properties by Unit Number

Data Source: 2011-2015 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	50	0.5%	500	5%
1 bedroom	240	2.5%	3,500	32%
2 bedrooms	1,910	21%	4,970	46%
3 or more bedrooms	6,800	76%	1,855	17%
Total	***9,000***	***100%***	***10,825***	***100%***

Table 30 – Unit Size by Tenure

Data Source: 2011-2015 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

The City has three primary housing assistance programs serving different target groups. The HOME-funded Housing Rehabilitation and Preservation Program (HRPP) serves low- and moderate-income homeowners with home improvement loans to address code violations and preserve the housing stock. The City also provides for affordable housing by making HOME funds available to assist local Community Housing Development Organizations to acquire and/or rehabilitate rental properties for low- and moderate- income persons.

Also, the City benefits from LACDA which administers the Housing Choice Voucher program for the area. Vouchers are currently held by 582 families within the City. Of this number, 276 recipients are extremely low-income, 20 are very low-income, 136 are elderly families, and 116 are families with disabilities.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

There are no units at risk of conversion during the current planning period.

Does the availability of housing units meet the needs of the population?

According to CHAS housing affordability data (Table 35 in the following section), there are only 770 housing units affordable to the extremely low-income households. However, there is an estimated 4,025 households in the City that are present in this income bracket. Therefore, this group's needs are not met by the current housing stock, causing many of these households to severely overpay for housing. While not as pronounced as the extremely low-income group, there are similar problems and gaps in the housing market for households that make the median income or less. For these households, there are 13,055 units considered to be affordable. However, the total number of households in this income category equals 14,585, leaving a gap of 1,530 affordable units.

Describe the need for specific types of housing:

There is a need for affordable units for each LMI income level. This is shown by the aforementioned housing cost burden problems for these households. In addition, the City could use more affordable units for large families. Out of all non-homeless special needs populations, they experienced the highest rate of housing cost burden at 61.3%. Therefore, housing that is large enough to support the needs of these families yet remain affordable is an example of a specific need for the City.

Discussion

See above.

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

Housing affordability is crucial to a healthy housing market for the area. Affordability across all income levels and residents creates a stable housing market that meets the needs of its population. This section will dive into costs for the City, which will in turn show levels of affordability in the market. Table 31 shows a few changes since 2010. To start, median income for the City has dropped by 9.84%. However, median contract rent has risen by nearly the same percentage (+9.47%). This points to potential affordability problems in the rental housing market. While prospects do not look great for affordable rental households, the decrease in home value has actually been more drastic than the decrease in income.

Cost of Housing

	Base Year: 2010 ($)	Most Recent Year: 2015 ($)	% Change
Median Home Value	456,500	402,600	(11.81%)
Median Contract Rent	1,045	1,144	9.47%
Median Income	50,881	45,875	(9.84%)

Table 31 – Cost of Housing

Data Source: 2005-2009 ACS (Base Year), 2011-2015 ACS (Most Recent Year)

Rent Paid	Number	%
Less than $500	1,110	10.3%
$500-999	3,500	32.4%
$1,000-1,499	5,000	46.2%
$1,500-1,999	940	8.7%
$2,000 or more	260	2.4%
Total	***10,810***	***99.9%***

Table 32 - Rent Paid

Data Source: 2011-2015 ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	770	No Data
50% HAMFI	2,080	195
80% HAMFI	7,660	660
100% HAMFI	No Data	1,690
Total	***10,510***	***2,545***

Table 33 – Housing Affordability

Data Source: 2011-2015 CHAS

Monthly Rent

Monthly Rent ($)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent (90640 Zip Code)	$1,080	$1,290	$1,670	$2,240	$2,460
High HOME Rent (LA Metro)	$1,158	$1,253	$1,506	$1,730	$1,911
Low HOME Rent (LA Metro)	$913	$979	$1,175	$1,357	$1,515

Table 34 – Monthly Rent

Data Source: HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

Housing is considered affordable if housing costs do not equal 30% or more of the occupant's income. The table on housing affordability, Table 33, shows an insufficient supply of housing for some LMI levels in the City. For 4,025 households earning 30% AMI or less, only 770 rental units are affordable. Additionally, for 8,460 households earning 50% AMI or less, there are only 2,275 affordable units, including just 195 ownership units. This is evidenced further by housing cost burden rates for LMI populations. Out of 12,410 LMI households in the City, 8,514 households (68.6%) spend 30% or more of their income on housing, with 4,685 (37.8%) spending more than 50% of their income on housing.

How is affordability of housing likely to change considering changes to home values and/or rents?

Affordability will change differently for owner-occupied units when compared to renter-occupied units. Median income for the City decreased by 9.84% from 2010 to 2015. Therefore, in order for housing to remain affordable for City residents, prices would have to trend in a similar fashion. This is shown to be true for median home value, which has decreased by 11.81%, a rate that is even higher than the decrease for median income. Therefore, housing affordability for homeownership will remain steady for the City, or even potentially improve.

However, the affordability for the rental market shows a different trend. Again, median income has decreased by nearly 10%. However, median contract rent has increased by the direct opposite rate, a positive increase of nearly 10%. This points to an increasing affordability problem for the rental market, which makes up the majority of the housing stock for the City. Naturally, when income decreases for an area, yet housing costs are increasing in the opposite direction, this will cause affordability problems and add to rates of housing cost burden.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

The City median contract rent of $1,144 is relatively comparable to the High HOME Rent for an efficiency unit and the Low HOME Rent for a 2-bedroom unit. The median rent is below High HOME Rent for every bedroom category. Therefore, the City will need to focus its strategy on keeping affordability attainable at all levels for all household types and sizes. This will be an increased challenge as income declines and rents continue to increase.

Discussion:

See above.

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

A property in "substandard condition" means any dwelling unit that contains a circumstance that endangers the life, limb, health, property, safety, or welfare of the public or the occupants. The conditions that make a property a "substandard dwelling" are defined in detail in Section 17920.3 of the California Health and Safety Code.

For the purposes of the CDBG program, "substandard condition but suitable for rehabilitation" means that the cost of remedying all substandard conditions plus the current value of the property does not exceed the after-rehabilitation value of the property.

Definitions

The four housing conditions are (1) lacks complete kitchen facilities, (2) lacks complete plumbing facilities, (3) more than one person per room, and (4) cost burden greater than 30 percent.

Costs that are eligible for HOME funding under the City's Housing Rehabilitation and Preservation Program include: remediation of the hazards of lead-based paint; correction of all code violations to the City Code; correction of any deficiencies to meet the City's Rehabilitation Standard; correction of incipient code violations that are likely to occur within the first 10 years of the loan term; addition of disability features to a property currently occupied by a disabled person; and improvements to the overall energy efficiency of the property.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	3,395	38%	6,125	57%
With two selected Conditions	200	2%	1,050	10%
With three selected Conditions	0	0%	80	>1%
With four selected Conditions	0	0%	0	0%
No selected Conditions	5,405	60%	3,570	33%
Total	***9,000***	***100%***	***10,825***	***100%***

Table 35 - Condition of Units

Data Source: 2011-2015 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	120	1%	360	3%
1980-1999	620	7%	1,230	11%
1950-1979	5,470	61%	6,520	60%
Before 1950	2,785	31%	2,705	25%
Total	***8,995***	***100%***	***10,815***	***99%***

Table 36 – Year Unit Built

Data Source: 2011-2015 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	8,255	92%	9,225	85%
Housing Units build before 1980 with children present	400	4%	85	1%

Table 37 – Risk of Lead-Based Paint

Data Source: 2011-2015 ACS (Total Units) 2011-2015 CHAS (Units with Children present)

HUD did not provide data for Table 38 – Vacant units.

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units			
Abandoned Vacant Units			
REO Properties			
Abandoned REO Properties			

Table 38 - Vacant Units

Need for Owner and Rental Rehabilitation

Homes built before 1980 represent housing stock that may need various forms of rehabilitation along with presenting possible Lead-Based Paint hazards for tenants. When houses become 30-40 years old and rehabilitation has been deferred, the overall housing condition may become affected. When paired with housing cost burden, it may be difficult for families to rehab their housing, and it is especially difficult to pay for housing improvements for LMI households.

This appears to be a relevant issue for the City. Data provided by the ACS and CHAS through 2015 shows that 88.2% of housing stock in the City was built in 1979 or earlier. Therefore, it can be assumed that a large portion of the housing stock may be in need of various forms of rehabilitation in order to improve conditions. In an effort to preserve the city's aging housing stock, the City has operated a Housing Rehabilitation and Preservation Program for a number of years and processed a number of housing rehabilitation loans resulting in Montebello residents investing in their homes and improving the housing stock. The City currently operates a HOME-funded Housing Rehabilitation and Preservation Program that provides loans for home improvements to continue to preserve the City's housing stock.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

The use of lead-based paint in housing was banned in 1978, therefore, housing built before 1980 represents a potential risk of hazard. This is especially pertinent to housing with children, since children are most vulnerable to lead-poisoning. Table 38 shows the estimated number of units that could potentially be at risk of lead-based paint hazards for the overall housing stock and for households with children. Overall, 88.2% of stock was built before 1980 and could potentially be at risk. Just 485 of these households have children present, representing only 2.4% of housing stock.

Discussion

See above.

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

There are no public housing units in the City, and the City does not operate a housing authority. Instead, public housing assistance for the City comes from Housing Choice Vouchers and other forms of support offered by the LACDA.

Totals Number of Units

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	0	261	2,962	21,798	1	21,797	1,264	1,357	558
# of accessible units									
***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**									

Table 39 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

The City does not own or operate any public housing developments within the jurisdiction.

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

The City does not own or operate any public housing developments within the jurisdiction.

Public Housing Condition

Public Housing Development	Average Inspection Score
0	N/A

Table 40 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

The City does not own or operate any public housing developments within the jurisdiction.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

The mission of LACDA is to build better lives and better neighborhoods by providing innovative programs that position the agency to end generational poverty and homelessness, encourage community development, and empower County residents and business to reach their full potential. It aligns and partners with HUD on their mission and various initiatives. For example, LACDA partners with HUD in the Family Self-Sufficiency Program which encourages and assists clients in increasing their earned income which in turn increases their ability to be economically self-sufficient. Resources in this program include job training and searching assistance, financial counseling, credit repair, and regular one-on-one or group support. The program also offers various incentives to encourage participation and enhance ability to achieve self-sufficiency, with the main incentive offering all clients the ability to build savings during their participation in the program. Programs and other partnerships, such as the Housing Choice Voucher program which has been mentioned many times, go a long way towards improving the living environment of LMI families in the City and County overall.

Discussion:

Note that Table 35 represents data for the County overall. For the City, 582 Housing Choice Vouchers are administered to residents.

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

The City partners with SPA-7 and County agencies to provide homeless services and social services to homeless individuals and families in the City. The City of Montebello does not have an emergency shelter within its jurisdiction. In the Housing Element, 2020, the report included information about shelter space and services. The report discussed two shelters Rio Hondo Temporary Home and the Women's and Children's Crisis Shelter. When combined there are 123 beds; they offer counseling and advocacy services; medical assistance, life skills, legal referrals, money management. Supportive Services for Veteran Families (SSVF) is a national program, run by the Volunteers of America in Los Angeles, offers housing assistance to homeless veteran families and prevents homelessness for those at imminent risk due to a housing crisis.

Table 41- Facilities and Housing Targeted to Homeless Households – shows that homeless facilities and housing are not located within The City of Montebello.

Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	0	0	0	0	0
Households with Only Adults	0	0	0	0	0
Chronically Homeless Households	0	0	0	0	0
Veterans	0	0	0	0	0
Unaccompanied Youth	0	0	0	0	0

Table 41 - Facilities and Housing Targeted to Homeless Households, 2019

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Homeless persons and those threatened with homelessness in the City of Montebello are served through a network of agencies serving the homeless, social services agencies, churches, City departments, and other county health and social services departments. There are several programs offered in the County that target different homeless client groups. A brief description of sample programs is provided below. Additionally, there is a federal program serving veterans and their families in the effort to end veteran homelessness. Other homeless programs include:

Homeless Family Solutions System—this program is a network of family homeless service providers that address the needs of homeless families or those in imminent risk of losing their housing. It works cooperatively with system partners to help families complete housing and service plans. The Whole Child is the lead operating agency in SPA 7.

Coordinated Entry System (CES)—The CES is a framework that unites regional providers working collaboratively to house chronically homeless individuals. Through the use of a common assessment tool, individuals are prioritized into the most appropriate housing based on their needs. CES also brings the coordination of county and federal resources from agencies such as the Department of Mental Health, Department of Health Services, housing authorities, and the Department of Veterans Affairs. People Assisting the Homeless (PATH) is the lead operating agency in SPA 7.

First 5 LA Supportive Housing Program—This program is a needs-based assistance program aimed at serving homeless or at-risk families with children from birth to age 5, some with current or past involvement with Department of Children and Family Services.

Supportive Services for Veteran Families (SSVF) – This program is a community-based, competitive grant program that rapidly rehouses homeless veteran families and prevents homelessness for those at imminent risk due to a housing crisis. The program's objective is to achieve housing stability through a short-term, focused intervention. SSVF employs a "housing-first" model, which focuses on helping individuals and families access and sustain permanent rental housing as quickly as possible and without precondition, while facilitating access to those services that will help the veteran families keep their housing.

HUD-VASH Vouchers (VASH)—The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program combines Housing Choice Voucher rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs. The department provides these services for participating veterans at Veterans Affairs medical centers (VAMCs) and community-based outreach clinics. Traditionally, the department controlled allocations of all VASH vouchers. However, there have been recent opportunities for service provider agencies to apply for the opportunity to manage limited numbers of vouchers. PATH manages allocation of VASH vouchers in SPA 7.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Those that are at-risk of homelessness, homeless, or chronically homeless in the City and surrounding area (SPA-7) are served through the coordination of County and Federal resources from many agencies or organizations such as the Department of Mental Health, Department of Health Services, housing authorities, and the Department of Veterans Affairs. In response to Montebello residents at-risk of homelessness, homeless, or chronically homeless, the City is implanting the Montebello Community Assistance Program (MCAP). The program will provide emergency motel vouchers, food vouchers, hygiene kits, showers, and case management.

Homeless and near-homeless families are served by two programs (described above) targeting families with children: Homeless Family Solutions System and First Five LA Supportive Housing Program. The former program serves homeless and near-homeless families through a network of homeless service providers by helping families complete housing and services plans in an effort to remove them from homelessness. The First Five LA Supportive Housing Program is targeted to address families with children from birth to 5 years old with housing and supportive services.

Homeless veterans and their families are served by two programs described above: HUD-VASH and SSVF. The former program combines Housing Choice Voucher rental assistance with case management and clinical services provided by the Department of Veterans Affairs. PATH manages the allocation of VASH vouchers in SPA 7. The SSVF program focuses on providing permanent rental housing as quickly as possible while providing for access to supportive services. The Bell Shelter applied for a grant to provide SSVF services in SPA 7 for a three-year period.

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

Special needs populations often have an increased need for housing, services, and facilities. Identified special needs populations in the City include the elderly (including frail elderly) and persons with disabilities.

Special needs populations often benefit from supportive housing, which is a combination of housing and services intended to help people live more stable, productive lives. Supportive housing is widely believed to work well for those who face the most complex challenges. Also, supportive housing is coupled with social services such as job training, life skills training, substance abuse programs, educational programs, and case management.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

The Bell Shelter is one of the primary homeless shelters in SPA 7 which offers not only emergency and transitional housing but also supportive services including: case management; supportive and transitional housing; individual and group counseling; drug and alcohol treatment; 'Back on Track" program to address emotional and psychological barriers to escaping homelessness; alternative sentencing for non-violent offenders; job search assistance; and a homeless veterans reintegration program. Other housing and supportive services in SPA 7 include Southern California Alcohol and Drug Program, Women & Children Crisis Shelter, Su Casa Ending Domestic Violence, and the Los Angeles County Department of Children and Family Services.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

Support for mental and physical disabilities for the City is mostly administered by the Los Angeles County Department of Mental Health. The organization helps provide a fundamental level of stability for people to achieve their goals of wellness, recovery, and eventual self-sufficiency. The County uses subsidy funds for unit-based supportive housing, which includes youth-oriented programs, to address the long-term housing needs of persons with serious mental illness and emotional problems.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

The population in the City is aging at a very slow rate, with the population of people 65 or older increasing by 1.30% over the past 7 years. The number of large households of five or more people made up roughly 15.34% of households, down from 19.30% in 2000. Single parent households makeup an estimated 29% of households, which is higher than the County rate at 22%. According to the 2013-2017 ACS data, 13.06% of the City's population is living with disabilities of which, 85.08% are elderly. The total homeless

population in the City is estimated to be 170 unsheltered persons on a given night in 2020. Point-In-Time Counts are performed annually for Service Planning Area 7 (SPA 7) in January. SPA 7 combines the City's sheltered and unsheltered homeless population with surrounding cities. Exactly 50% live in vehicles (RVs, Campers, Vans, Cars), while the other half lives either on the street or in makeshift shelters. City zoning limits density for senior or other special needs housing. No provisions for density bonuses are given. The City may choose to amend the ordinance to permit higher densities as recommended by the City's 2016-2021 Housing Element.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

Approximately 50% of the City's 2020-2021 CDBG allocation will be spent on activities that support services for special needs populations (see AP-35 for specific activities). The City plans to fund advocacy services for fair housing and implement improvements such as the Senior Center.
The City, CoC, and LAHSA support several homeless shelters and ancillary public services that provide food, shelter, clothing and counseling services within 1 to 7 miles from the city including: Bell Shelter-Salvation Army, HPRP Huntington Park Homeless Services, Family Promise of San Gabriel Valley, Dolores Mission, Ollie House and the Volunteers of America Homeless Support Services, Emmanuel Baptist Rescue Mission, and East San Gabriel Valley Coalition for the Homeless.

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

There are many potential barriers to affordable housing, and these include anything from governmental regulations to market factors or shifts in funding. For example, the elimination of State redevelopment authorities directly impacted a primary funding source for many cities that allowed for the subsidy of affordable housing. City staff, stakeholders and the community at-large identified and prioritized fair housing issues and contributing factors to fair housing. Barriers to affordable housing as well as other housing information can be found in the City's draft 2020-2025 Analysis of Impediments to Fair Housing Choice (AI).

A summary of the high priority barriers to affordable housing include:

- High cost of housing
- Housing values are increasing faster than household incomes
- Low number of affordable homes vs. market rate or higher cost homes
- Low number of housing opportunities for larger families
- Low ability to become a homeowner
- Lack of household financial stability
- Lack of funds to subsidize economic development projects
- Undereducated residents
- Aging housing and infrastructure
- Homeless prevention services
- Current land use policies do not support the development of affordable housing

Governmental actions, environmental conditions, infrastructure capacity, and economic conditions related to the housing market can directly affect the supply and availability of housing. All of these factors can create barriers or impediments to affordable housing when there is no incentive to develop affordable units. The lack of land availability, community commitment, public policy and community issues can also affect the cost of development projects, forcing developers to deal with the design and implementation of various land use ordinances, fees and other standards. The City of Montebello 2016-2021 Housing Element concludes that the development review process does not put a constraint on development since building permit and plan check fees are in line with those charged by other jurisdictions in the area. In addition, no development impact fee is administered for new multi-family housing developments. Therefore, building codes and development standards in the City are not unusually restrictive.

In addition, some key market factors that could potentially form impediments to affordable housing include high land and construction costs. Construction costs typically represent a large bulk of development costs, and they are largely determined by regional prices for material and labor. New housing developments require land purchases, and due to the growing expansion of the County, prices for land to be acquired in such a built-out environment are usually very high. The per unit land cost is directly tied to density and development at higher densities can help to spread out costs and reduce overall development prices. The City's Housing Element also points out relevant State laws when it comes to development and densities. These laws serve to facilitate the development of affordable housing, and the City abides by these density requirements.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

This section is an examination of economic data and business data in the City. It will examine dominant employment sectors, educational attainment, labor force data, and sector data.

Economic Development Market Analysis

Household income is one of several factors used to determine a household's eligibility for a home mortgage loan or a rental lease. Median household income (MHI) in the City is $50,312. Across racial and ethnic groups, the American Indian/Alaskan Native population and Black population have the highest MHI, with the households earning $69,792 and $61,827 respectively. The largest population in the area, Hispanic or Latino, earns an average of $54,483. The White population brings in the least, at an average of $47,027. The top 10 employers in the City include (Comprehensive Annual Financial Report 2018):

(1) Montebello Unified School District
(2) Beverly Hospital
(3) City of Montebello
(4) Costco
(5) Bimbo Bakeries USA
(6) Macy's
(7) Wilbur Curtis Co
(8) Old Dominion Freight Line
(9) Rio Hondo Convalescent Hospital
(10) JCPenney

The City has experienced relatively slow economic growth. According to the ACS, as of 2017, the City's unemployment rate was estimated to be 7.8%. However, it should be noted, the unemployment rate noted by www.homefacts.com as 5.0% as of September 2019. Out of 51,004 people 16 years and older in the City, 60.50% participate in the labor force. The highest unemployment rates reported in 2017 for the City belonged to three different racial groups: White alone (10.10%), Black (9.80%), and American Indian/Native Alaskan (9.80%). The top workforce industries (Table 42) include: educational services/health care/social assistance (48.08%), manufacturing (12.81%), and finance/insurance/real estate/rental and leasing (11.91%). However today, according to several sources such as areavibes.com, bestplaces.net and civicdashboards.com, the unemployment rate for the City ranges is 4.5 -5.5%. These sources also report the greatest number of people in the following occupations:

1. Health care and social assistance
2. Retail trade
3. Manufacturing
4. Education

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	208	10	1	0	-1
Arts, Entertainment, Accommodations	3,023	2,104	13	10	-3
Construction	908	331	4	2	-2
Education and Health Care Services	4,218	4,546	18	22	4
Finance, Insurance, and Real Estate	1,167	637	5	3	-2
Information	481	103	2	0	-2
Manufacturing	2,559	2,758	11	13	2
Other Services	909	1,106	4	5	1
Professional, Scientific, Management Services	1,723	803	7	4	-4
Public Administration	0	0	0	0	0
Retail Trade	2,843	4,844	12	23	11
Transportation and Warehousing	1,090	1,631	5	8	3
Wholesale Trade	1,969	1,189	9	6	-3
Total	21,098	20,062	--	--	--

Table 42 - Business Activity

Data Source: 2011-2015 ACS (Workers), 2015 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

Total Population in the Civilian Labor Force	**28,865**
Civilian Employed Population 16 years and over	26,560
Unemployment Rate	8.00
Unemployment Rate for Ages 16-24	21.54
Unemployment Rate for Ages 25-65	4.73

Table 43 - Labor Force

Data Source: 2011-2015 ACS

Persons by Occupation

Occupations by Sector	Number of People
Management, business and financial	5,090
Farming, fisheries and forestry occupations	1,445
Service	2,640
Sales and office	7,560
Construction, extraction, maintenance and repair	2,030
Production, transportation and material moving	1,690

Table 44 – Occupations by Sector

Data Source: 2011-2015 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	9,400	37%
30-59 Minutes	11,135	44%
60 or More Minutes	4,565	18%
Total	***25,100***	***100%***

Table 45 - Travel Time

Data Source: 2011-2015 ACS

Education: Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		
	Civilian Employed	Unemployed	Not in Labor Force
Less than high school graduate	5,330	330	2,835
High school graduate (includes equivalency)	6,600	525	2,760
Some college or Associate's degree	6,290	450	1,730
Bachelor's degree or higher	5,295	275	950

Table 46 - Educational Attainment by Employment Status

Data Source: 2011-2015 ACS

Educational Attainment by Age:

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	115	415	1,080	3,170	2,350
9th to 12th grade, no diploma	1,165	1,055	975	1,805	1,280
High school graduate, GED, or alternative	2,140	3,170	2,520	4,215	2,585
Some college, no degree	2,825	2,000	1,690	2,415	1,180
Associate's degree	210	620	560	1,190	570
Bachelor's degree	305	1,615	1,100	1,950	1,090
Graduate or professional degree	14	565	700	605	405

Table 47 - Educational Attainment by Age

Data Source: 2011-2015 ACS

Educational Attainment – Median Earnings in the Past 12 Months:

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	20,766
High school graduate (includes equivalency)	26,533
Some college or Associate's degree	35,334
Bachelor's degree	45,404
Graduate or professional degree	70,156

Table 48 – Median Earnings in the Past 12 Months

Data Source: 2011-2015 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

According to the above ACS data, the top employers in the City by business sector are Education and Health Care Services (18%, 4,218 Workers), Arts, Entertainment and Accommodations (13%, 3,023 Workers), and Retail Trade (12%, 2,843 Workers) as shown in Table 42.

Describe the workforce and infrastructure needs of the business community:

The labor force in the City is comprised of 26,560 employed persons age 16 and older. The total civilian population in the labor force is 28,865 persons with an unemployment rate of 8.0% as shown in Table 43. The top occupation sectors are detailed in Table 44, with the largest number of people employed in the Sales and Office sector (7,560), followed by Management, Business and Financial (5,090) and Service (2,640). In addition, the City's labor participants are reasonably located to their places of work according to travel times. Table 45 shows that just 18% of the labor force has a work commute of over one hour.

Table 42 also helps detail some of the needs and gaps in the workforce and business community for the City. There are certain sectors where the share of workers does not meet the share of jobs, thus creating a need for the labor force. The largest gap is in the Retail Trade sector which represents 23% of jobs within the City yet represents just 12% of workers. The next largest need for the communities is the Education and Health Services sector which represents 22% of jobs in the City yet employs just 18% of workers.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

The removal of all redevelopment authorities statewide continues to be a change for the City that requires an adjustment for planned local initiatives. In addition to this overall change, there are a few planned projects in the City that may affect job and business growth opportunities. For example, since the last ConPlan period, the Shops at Montebello has undergone changes and renovations, as well as added many new stores and tenants. This will add to the demand to the Retail Trade sector which was discussed under the previous heading. This will continue to present new opportunities for businesses and employees in the City. In addition, another major opportunity for employment and business growth is shown in the proposed Whittier Boulevard Downtown Mixed Use Development.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

The workforce for the City is relatively uneducated when it comes to attaining a Bachelor's degree. Out of 23,515 employed members of the workforce, just 22.5% have a Bachelor's degree. However, an additional 26.8% of the employed members of the workforce have some college or an Associate's degree. Therefore, nearly half of all employed workers in the City have some form of college education. This can potentially be tied to the City's decline in median income. Without a highly educated workforce, workers can expect lower paying jobs, as shown in Table 48.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

The West San Gabriel Valley Work-Source Center serves the cities of Monterey Park, Alhambra, Bell, Montebello, San Gabriel, Temple City and Rosemead. The Center offers an array of services that include employment assistance, training, counseling and on-site case management assistance. Participants have full access to the resource r to utilize the services with assistance from an attendant that is on site. The attendant provides one-on-one service to clients. The Center offers several different programs including resume workshops, resource center, services to dislocated-individuals and the Workforce Investment Opportunities Act (WIOA) Program. The WIOA Program provides employment and training services to both Adult-individuals seeking to upgrade work skills and re-entry back into the workforce.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

No.

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

The City does not participate in a Comprehensive Economic Development Strategy.

Discussion

See above.

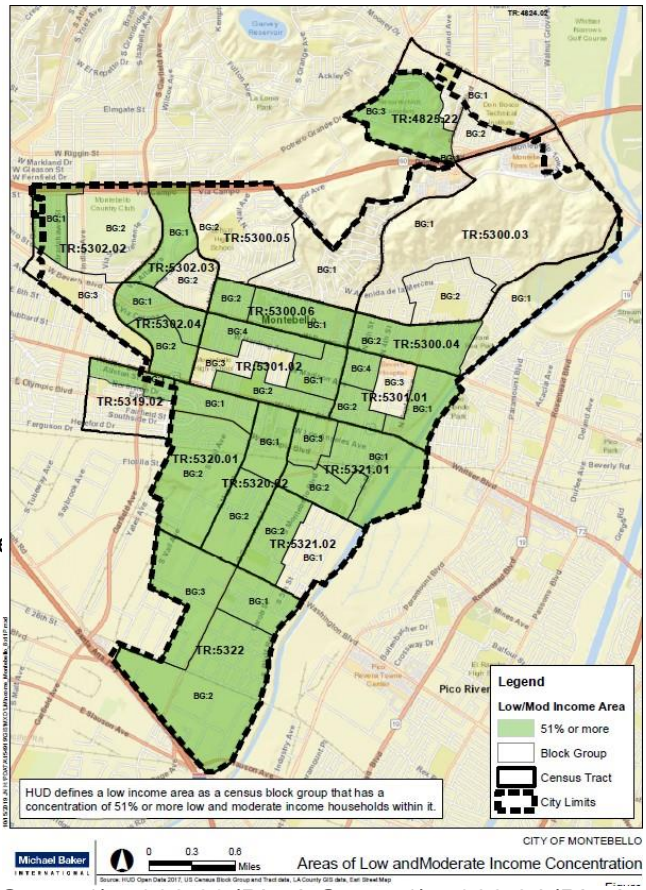
MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of"concentration")

Data was not available to map areas of multiple housing problems for the City. However, there are areas within the City that have higher concentrations of LMI populations than others. These areas are more likely to experience multiple housing problems (such as cost burden and crowding) than non-LMI areas. For the City, there are LMI concentrated populations in Census Tracts 4825.22, 5302.02, 5302.03, 5302.04, 5300.06, 5300.04, 5301.02, 5301.01, 5319.02, 5320.01, 5320.02, 5321.01, 5321.02 and 5322 (see LMI Map on following page).

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

Data was not available to map areas of multiple housing problems for the City. However, there are areas within the City that have higher concentrations of LMI populations than others. These areas are more likely to experience multiple housing problems (such as cost burden and crowding) than non-LMI areas. For the City, there are LMI concentrated populations in Census Tracts 4825.22, 5302.02, 5302.03, 5302.04, 5300.06, 5300.04, 5301.02, 5301.01, 5319.02, 5320.01, 5320.02, 5321.01, 5321.02 and 5322 (see LMI Map on following page).



The City defines areas of LMI concentration as census tracts where at least 51% or more of households are classified as LMI. There are six census tracts in the City that entirely consist of LMI block groups. These are census tracts 5322, 5321.01, 5320.02, 5320.01, 5302.04, and 5300.06. There are six more census tracts in the City which are not entirely LMI but do include at least one block group of LMI concentration. These include tracts 5302.02 (Block Group 1), 5302.03 (Block Group 1), 5300.04 (Block Group 2), 5301.01 (Block Groups 1, 2 and 4), 5301.02 (Block Groups 1, 2 and 4) and 5321.02 (Block Group 2). These areas can be seen in the LMI Map below.

What are the characteristics of the market in these areas/neighborhoods?

The characteristics of the market are discussed in detail in earlier sections MA-05 through MA-25. Most of the same characteristics as described in those discussions apply to the market in these areas.

Current census data identifies the five census tracts south of Whittier Boulevard with a higher concentration of Hispanics at 92.3 percent, who have an overall lower median income and higher poverty rates compared to the 10 census tracts north of Whittier Boulevard.

Many areas of LMI concentration are spread throughout the City, therefore, the characteristics of the market are discussed in detail in earlier sections MA-05 through MA-25. Most of the same characteristics as described in those discussions apply to the market in these areas. However, for the two census tracts with concentrations of Asian populations, LMI concentration is far less prevalent. These northern portions of the City have less areas of LMI concentration when compared to southern tracts, which are highly consisted of Hispanic populations.

Are there any community assets in these areas/neighborhoods?

Community assets generally include facilities such as schools, libraries, community centers, parks, and access to commercial establishments such as grocery stores, general merchandise stores, and pharmacy retailers, among others. Community assets are distributed throughout the city. However, there are a few more notable community assets in the northern portion of the City, where there is less LMI concentration, and a higher Asian concentration. These tracts are home to some notable institutions in the area, including Don Bosco Technical Institute, Montebello Town Center, Montebello Country Club, and Schurr High School.

Are there other strategic opportunities in any of these areas?

The City utilized grant funds to make major improvements along Whittier Boulevard to enhance the City's downtown area. In FY 2002–03, the City applied for a $6.5 million Section 108 Revolving Loan along with a $2 million Brownfields Economic Development Industrial grant to revitalize Whittier Boulevard in the city's downtown. Completed improvements included the replacement of sidewalks, curb and gutter, street irrigation, lighting, water and sewer lines, sidewalk improvements compliant with the Americans with Disabilities Act, landscaping and street furniture. The City is paying off the Section 108 loan which will be paid in full (from the yearly CDBG entitlement grant) in 2025.

In November 2019, groundbreaking began for a large Montebello Hills housing project which will be located towards the northern portion of the City, along Lincoln Avenue and Montebello Boulevard. Construction is finally underway after long delays. The project is estimated to bring in 4,000 new residents to the City and represent a boost to local businesses and restaurants. The Plan was approved in 2015 and will bring a total of 1,200 housing units to the area.

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

The vast majority of residents in the City have numerous options for broadband wiring and connections, and this includes LMI households and neighborhoods. According to Federal Communications Commission datasets, it is estimated that only about 1,000 City residents (around 3.0%) have their options limited to one or fewer internet/broadband providers. However, the community needs survey and stakeholder interviews offered more firsthand data on the subject including:

- Improve infrastructure to eliminate "dead zones" in the City
- Costs to upgrade internet services is prohibitive
- Low and moderate income families are most vulnerable to lack of access to information / education
- Access will enable disabled and special needs populations to stay connected socially
- Access increases employment opportunities
- Improve wireless connectivity on buses and at public facilities such as the senior center

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

The City already has multiple providers competing for consumers in the City, however, competition falls off after the first 2 or 3 providers. Data from the FCC shows that 3 providers dominate the City, with AT&T, Spectrum, and EarthLink being available to 97% of all City residents. There are no providers available to roughly 4% of the City's households. Only 3% of households have multiple options for broadband carriers. In summary, the number of providers is considered to be relatively limited for the City.

However, the competition between the three main providers has caused worthy competition to increase download speeds and win over consumers. FCC data for the City proves this by showing connection speeds relative to the State and National averages. Again, approximately 97% of households are served by multiple providers, with overall City connection speed averages of 66.78 Mbps. This rate is more than double the average rate of the State (+119.7% faster), and about 17.0% faster than National averages. It is also worth noting that the three main providers for the City all offer connection speeds of at least 940 Mbps, which is a far higher rate than the State. It is estimated that 95% of all State households receive connection speeds of 100 Mbps or higher. The City has an abnormally high rate of connection speed, with 97% of households offered at least 940 Mbps or higher.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

Climate change for the City makes certain weather forms more unpredictable for the area according to its Hazard Mitigation Plan, completed and updated in 2017. Leading up to the Plan being released, the State and City were both in the midst of a several-year drought. However, recently rain totals have risen. The Plan details that rainfall is sporadic and often comes in the form of heavy storms instead consistent intervals. As climate changes makes heavy storms more powerful and more common, this can affect the City and its rainfall patterns.

Risk index ratings included in the Plan identify many risks categorized as "possible" or "likely". The only risk with a "likely" label is for earthquakes, which are a constant threat for many areas in the County and State. However, it is difficult to detail the effects of climate change on these types of events. However, many events labeled as "possible" for the City can be tied to climate change. These include wildfire, flooding and dam failure. Flooding and dam failure can be tied to changing climate and stronger storms leading to high rainfall, while wildfires can be caused by increased temperatures and longer dry seasons in-between rainfall.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

As shown in MA-50, out of the 14 census tracts in the City, there are 6 census tracts that are entirely LMI concentrated, and there are 6 more tracts that contain at least one block group of LMI concentration. Therefore, most risks to any portion of the City will also put these LMI households at risk as well. The Hazard Mitigation Plan identifies risk areas and vulnerabilities for certain locations within the City.

For earthquakes and drought, these events put the entire project area (the City) at risk. This would include all LMI households in the City. The other events that were studied (wildfire, flooding, dam failure) each affect certain areas of the City differently. For wildfires, vulnerable areas were identified as the North and Eastern boundaries of the City. While the three census tracts present in the City that are not LMI concentrated are located in the Northeastern portion of the City, there are still many tracts along the Eastern boundary that are LMI concentrated and potentially vulnerable.

In addition, vulnerable areas for flooding include those surrounding the Rio Hondo Flood Control Channel which runs North to South across the entire City, and areas surrounding the San Gabriel River Basin along the East side of the City. Both of these flooding hazards come into contact with many LMI concentrated census tracts, presenting an elevated risk. Finally, vulnerable dam failure areas are somewhat aligned with flood risk as the main risk area is the Eastern boundary of the City along the Rio Hondo Flood Control Channel. Again, this comes into contact with many LMI concentrated census tracts for the City.

Overall, earthquakes, flooding, and drought have the highest probabilities of a major event affecting the City according to the Plan. All 3 of these will come into contact with vulnerable, LMI concentrated areas and neighborhoods.

STRATEGIC PLAN

SP-05 Overview

Strategic Plan Overview

The Strategic Plan is part two of the ConPlan and includes broad strategies for how the City will address affordable housing, homelessness, special needs and community development needs for the upcoming 5-year period of July 1, 2020 to June 30, 2025.

The City's 2020-2025 Analysis of Impediment to Fair Housing Choice (AI) revealed the following high priority barriers to affordable housing:

- High cost of housing
- Housing values are increasing faster than household incomes
- Low number of affordable homes vs. market rate or higher cost homes
- Low number of housing opportunities for larger families
- Low ability to become a homeowner
- Lack of household financial stability
- Lack of funds to subsidize economic development projects
- Undereducated residents
- Aging housing and infrastructure
- Homeless prevention services
- Current land use policies do not support the development of affordable housing

Priority needs identified in the ConPlan were obtained from community engagement activities and data collection and analysis. Priority needs are:

- Assistance for extremely low and low income households
- Affordable housing and lower housing costs (*families with children, Hispanic and African American households, single parent households, elderly)(primarily 3 bedroom units)
- Increase home ownership
- Reduced housing improvement costs
- Pursue opportunities to increase household income
- Enhance facilities and programs for youth
- Improve and correct infrastructure issues
- Provide job training and opportunities for more jobs
- Homeless prevention services and shelter
- Amend zoning to support affordable and fair housing opportunities

ConPlan goals developed help reduce the conflicts to affordable housing, fair housing and services needed for the homeless.

1. Increase affordable housing opportunities.
2. Maintain decent and energy efficient housing stock.
3. Create sustainable neighborhoods.
4. Expand fair housing choice and access
5. Provide vital public services.
6. Increase the earning capacity for LMI families.
7. Expanding economic opportunities
8. Planning and administration.

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

1	**Area Name:**	Citywide
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	Comprehensive
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	Located in southern California, located 11 miles east of Los Angeles. The City of Montebello is 8.37 square miles. Routes 72, 60 and 5 run east-west through the City going toward Los Angeles. Major transportation corridors in the City include: Whittier Blvd, Beverly Blvd, Montebello Blvd, Washington Blvd. and Greenwood Ave.
2	**Area Name:**	Qualified Census Tracts
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	51% or greater LMI areas
	Revital Type:	
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	Census tracts within the City in which the percentage of low- and moderate-income residents is higher than 51 percent.
	Include specific housing and commercial characteristics of this target area.	Please see CDBG LMI Map
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	Community feedback on the needs of low/mod areas, households and individuals was gathered through meetings, a community-wide survey, and public meetings. Residents, local and regional social service agencies, and other nonprofits. These needs were determined during the consultation process where information was documented, needs were prioritized recommendations were created.

	Identify the needs in this target area.	During the preparation of the ConPlan, a Community Needs Survey (in both English and Spanish) as well as stakeholder interviews was conducted. The following is a summary of survey result: • 2nd and 4th Streets off of Whittier Blvd. • Revitalize low income housing and infrastructure on both the north and south sides of Whittier Blvd. • Park improvements at City Park and additional ball fields • Improvements to the existing water system • Invest in the upgrade of the City's broadband systems • Continue to fund the area's social service agencies • Resolve food and shelter needs • Create more affordable housing • Invest in economic development and revitalization efforts
	What are the opportunities for improvement in this target area?	The City remains committed to revitalize key corridors in the City. There have been street, sidewalk and other streetscape improvements. There are over 1,200 new homes planned for construction, Montebello Hills, this development and its new families are expected to increase economic opportunities and new tax revenues for the City. Senior Center and Fire Station improvements are also planned.
	Are there barriers to improvement in this target area?	Creating sustainable neighborhoods takes more funding than readily available. While efforts are routinely made to maintain and rehabilitate vital infrastructure and community facilities, the City's public infrastructure continues to age and deteriorate. Proper investigations and priorities should be established for capital projects and broadband capacities.

Table 49 - Geographic Priority Areas

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

The City generally does not allocate funds on a geographic basis, with the exception of a slum and blight area for a portion of code enforcement activities. Funds are allocated to subrecipients that provide low-income households with housing and supportive services. On an annual basis, the City prioritizes the use of its CDBG funding for citywide housing and community development activities including housing, public services, fair housing, and a portion of code enforcement. Activities identified under the public service category and targeted to special needs populations are offered on a citywide basis and/or where resources can be coordinated with existing facilities or services. Public improvements and public facilities are qualified as benefitting low- and moderate-income persons.

The CDBG-eligible areas are identified below by census tract/block group, % pre-1980 units and by low/mod percentage for cases eligible under the Low-Mod Income (LMI) National Objective. The majority of beneficiaries of capital and community facilities projects are the City's primarily low- and moderate-income residents who reside within the census track/block groups identified in this ConPlan.

The City has traditionally used 70% or more of its CDBG resources to benefit these special areas and/or to operate programs available exclusively to low and moderate-income people (whereas HUD regulations only require a minimum 70% low/mod benefit level for CDBG activities). In order to continue to achieve this high ratio of low/mod benefit for its CDBG resources, and because of the compelling need to assist these target areas, the City will continue to target CDBG resources to these special geographic areas.

SP-25 Priority Needs - 91.215(a)(2)

Priority Needs:

- Assistance for extremely low and low income households
- Affordable housing and lower housing costs
- Increase home ownership
- Reduced housing improvement costs
- Enhance facilities and programs for youth
- Improve and correct infrastructure issues
- Provide job training and opportunities for more jobs
- Homeless prevention services and shelter
- Amend zoning to support affordable and fair housing opportunities

1	**Priority Need Name**	**Assistance for extremely low and low income households**
	Priority Level	High
	Population	Extremely Low income; Low income; Large Families; Families with Children Chronic Homelessness Individuals; Elderly
	Geographic Areas Affected	Citywide
	Associated Goals	-Maintain decent and energy efficient housing stock -Provide vital public services
	Description	Assistance such as rental, utility financial assistance, food and nutrition, and short-term and or transitional housing is needed for extremely low and low income.
	Basis for Relative Priority	Data from the NA and MA sections show that 20% of the total households are considered extremely low income and 72% of the families with small children in the City are low income and 22% are extremely low income.
2	**Priority Need Name**	**Affordable housing and lower housing costs**
	Priority Level	High
	Population	Extremely Low income; Low income; Large Families; Families with Children Chronic Homelessness Individuals; Mentally Ill; Chronic Substance Abuse Veterans; Persons with HIV/AIDS; Unaccompanied Youth; Elderly; Victims of Domestic Violence
	Geographic Areas Affected	Citywide
	Associated Goals	Increase affordable housing opportunities
	Description	Additional affordable rental or owner-occupied housing is needed through rehabilitation and or new housing particularly for families with children, Hispanic and African American households, single parent households, elderly. Larger units, primarily 3 bedroom units are needed.

	Basis for Relative Priority	Data from the NA and MA sections show that 48% of the City's Low income households spend more than 30% of their household income on housing costs and 24% spend over 50% of their household income on housing costs. Most common housing problems are cost burden households (74% are renters; 54% are from small related households). Number of households has increased 7%, however the increase in housing stock has only increased 4%
3	**Priority Need Name**	**Reduced housing improvement costs**
	Priority Level	High
	Population	Low Income; Moderate Income; Large Families; Families with Children Elderly; Persons with Developmental Disabilities; Other
	Geographic Areas Affected	Citywide
	Associated Goals	Maintain decent and energy efficient housing stock
	Description	Housing rehabilitation programs are needed, they can reduce the cost of needed home improvements.
	Basis for Relative Priority	The MA section reports the median income has decreased 11% over the last 7 years. 47.7% of LMI households in the City experience a severe housing problem. Hispanic households in the 0-30% AMI category are disproportionately affected at a rate of 76.5%.the Community Needs Survey noted the greatest housing needs is energy efficient home improvements and housing rehabilitation.
4	**Priority Need Name**	**Increase home ownership**
	Priority Level	High
	Population	Low Income; Moderate Income; Large Families; Families with Children Elderly; Persons with Developmental Disabilities; Other
	Geographic Areas Affected	Citywide
	Associated Goals	Expand fair housing choice and access
	Description	Partner with banks, land trusts, and or community development groups for home ownership programs and lending programs.
	Basis for Relative Priority	Community Needs Survey prioritized home ownership and down payment assistance.
5	**Priority Need Name**	**Enhance facilities and programs for youth**
	Priority Level	High
	Population	Low Income; Moderate Income; Large Families; Elderly; Persons with Physical Disabilities; Other
	Geographic Areas Affected	Citywide
	Associated Goals	Create sustainable neighborhoods
	Description	Invest in the redevelopment or development of needed community facilities owned by the City of nonprofits for special needs populations including elderly, youth, and or where LMI residents benefit.

	Basis for Relative Priority	The Community Needs Survey prioritized parks and recreation facilities and programs for the youth. One of the Gateway Cities Council of Government's primary concerns is developing career pathways for the youth. Also, homeless data from SPA 7 indicates that there is a significant rise in young adults (18-24).
6	**Priority Need Name**	**Improve and correct infrastructure issues**
	Priority Level	Citywide
	Population	Low income; Moderate income; Families with Children; Elderly; Persons with Developmental Disabilities; Non-housing community development; Other
	Geographic Areas Affected	Eligible LMI areas
	Associated Goals	Create sustainable neighborhoods
	Description	Improve and fix aging infrastructure including roads, sidewalks, water/sewer, storm water, as well as add or expand broadband services to LMI areas and neighborhoods.
	Basis for Relative Priority	The Community Needs Survey and through stakeholder interviews with City staff and Council indicated the greatest neighborhood improvements include: street, sewer, water and storm sewer, and sidewalk and curbing improvements were most needed.
7	**Priority Need Name**	**Provide job training and opportunities for more jobs**
	Priority Level	High
	Population	Low income, Moderate income; Families with Children; Elderly; Persons with Developmental Disabilities; Non-housing economic development; Other
	Geographic Areas Affected	Citywide
	Associated Goals	Increase the earning capacity for LMI families
	Description	Partner with community colleges, technical-trade schools, healthcare and or manufacturing and or technology companies that can offer job or on-the job training opportunities for eligible residents
	Basis for Relative Priority	Interviews with stakeholders, staff and City officials noted the priority needs include Technical/soft skills training, career pathways for youth and retrain dislocated adult workers, Enhance focus on education, Need to improve infrastructure to eliminate "dead zones", and revitalization efforts on or near Whittier Boulevard.
8	**Priority Need Name**	**Homeless prevention services and shelter**
	Priority Level	High
	Population	Extremely Low income; Low income; Large Families; Families with Children Chronic Homelessness Individuals; Mentally Ill; Chronic Substance Abuse Veterans; Persons with HIV/AIDS; Unaccompanied Youth; Elderly; Victims of Domestic Violence
	Geographic Areas Affected	Citywide
	Associated Goals	-Increase affordable housing opportunities -Provide vital public services

	Description	Work with area homeless focused agencies on homeless prevention services and programs including emergency shelter needs, rapid rehousing, cash assistance for rent/security deposits/utility payments, counseling, crisis resolution and emotional assistance.
	Basis for Relative Priority	Interviews with stakeholders, staff and City officials noted the priority needs include proper accounting and identification of displaced residents, housing placement programs, accurate tracking of unsheltered persons and those living in transitional housing, and food and shelter insecurity. Also, the Community Needs Survey revealed the priority homeless needs are prevention services, emergency shelter space and transitional housing.
9	**Priority Need Name**	**Amend zoning to support affordable and equitable housing opportunities**
	Priority Level	High
	Population	Extremely Low income; Low income; Large Families; Families with Children Chronic Homelessness Individuals; Mentally Ill; Chronic Substance Abuse Veterans; Persons with HIV/AIDS; Unaccompanied Youth; Elderly; Victims of Domestic Violence
	Geographic Areas Affected	Citywide
	Associated Goals	Increase affordable housing opportunities
	Description	Review and amend residential development local policies to favorably create more affordable housing opportunities. Also work with homebuilders and landlords to create models for affordability and expand fair housing choices.
	Basis for Relative Priority	The Community Needs Survey noted that 47% the public feel local land use laws do not support the development of affordable housing. The AI reveals the specific land use policies do not favor the development of affordable housing. Current zoning places limitations on bedroom count in higher density zones; location of emergency shelters; senior housing density; Single Room Occupancy units; and group homes; and parking requirements.

Table 50 – Priority Needs Summary

Narrative (Optional)

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	Montebello receives HOME funds but they will not be used to fund TBRA.
TBRA for Non-Homeless Special Needs	Montebello receives HOME funds but they will not be used to fund TBRA.
New Unit Production	According to data provided in the Needs Assessment, the 2012-2016 CHAS/ACS reveals an increasing cost burden for both owner-occupied households and renter-occupied households. The percent of occupied households in the City that are currently cost-burdened is estimated to be 47%. This includes 35% of owners and 57% of renters paying more than 30%. The number of households has increased 7%, however the increase in housing stock has only increased 4%.Based on this data and the housing market analysis completed as part of this plan, there is a need for more affordable housing units. A policy in the Housing Element indicates that the City will continue to pursue programs and funding sources and adoption of policies which allow for continued affordability of housing units.
Rehabilitation	Roughly 13.55% of the City's homes were built after 1980. Vacancy rates are low in the City, only 5.4% of all housing units that are or could be available for rent or purchase. In prior years, CDBG and HOME funds are primarily used for large and small housing rehab and code compliance projects. According to the Rental Property Reporter, dated September 2019, a healthy vacancy rate for a City is anywhere from 5-8% increasing the need for continued preservation of the City's older housing stock to keep older properties on the market.
Acquisition, including preservation	According to data provided in the Needs Assessment, the 2012-2016 CHAS/ACS reveals an increasing cost burden for both owner-occupied households and renter-occupied households. The percent of occupied households in the City that are currently cost-burdened is estimated to be 47%. This includes 35% of owners and 57% of renters paying more than 30%. Based on this data and the MA section completed as part of this plan, there is a need for affordable housing units. The City's HOME funds may be utilized, as available, to foster the availability of affordable housing.

Table 51 – Influence of Market Conditions

City benefits from LACDC which administers the Housing Choice Voucher program for the area. Vouchers are currently held by 582 families within the City. Of this number, 276 recipients are extremely low-income, 20 are very low-income, 136 are elderly families, and 116 are families with disabilities.

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

The City has been notified by HUD that they will be receiving $665,346 in CBG funds for FY 2020-2021, and $258,317 in HOME funds. The City is obligated to make payment on a Section 108 Loan ($462,221) as well as administrative funds ($231,826) which includes program income and prior year resources, allowing $885,515 CDBG leftover to spend on public services, capital improvements and/or housing projects. The City also received $391,402 in CDBV-CV funds in response to the COVID-19 pandemic.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan: $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	Public federal	Admin and Planning, Public Improvements, Public Services	$665,346	$493,785	$420,431	$1,579,562	$2,584,654	The City expects to receive $3,250,000 over the next 5 years CDBG entitlement funds; $665,346 in Year 1. Any unencumbered funds from prior year (s) will be allocated to public facilities improvements, and Housing Rehabilitation Grants/Loans Program.
HOME	Public federal	Acquisition Homeowner rehab Multifamily rental new and rehab TBRA	$258,317	$143,853	$0	$402,170	$1,031,693	The City expects to receive $1,500,000 over the next 5 years in HOME entitlement funds; $258,317 in Year 1.
CDBG-CV	Public federal	Public Service	$391,402	$0	$0	$391,402	$391,402	The city Expects to receive $391,402 in CDBG-CV funds in response to COVID.

Table 52 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City will continue to use state and local funds to leverage federal entitlement dollars, including but not limited to:

- City General Funds
- In -kind Donations
- Partnerships with local banks for home buying assistance

All sources and types of funds are more limited now due to the current economic climate, along with the demise of statewide redevelopment tax-increment funds and housing set-aside funds. The HOME program requires a local match which leverages local funds.

The City anticipates assisting ten low to moderate-income homeowners through the Owner-Occupied Housing Rehabilitation and Preservation Program over the next five years. The Program offers housing rehabilitation loans to eligible homeowners (up to 80% of the MFI) using HOME funds.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City does not have any publicly owned land that is being considered for affordable housing. However, the Montebello Housing Development Corporation (MHDC) offers several programs (home buyer classes) that helps families with the purchase of a home. MHDC's most recent development projects was the redevelopment of a blighted property given to the City for the purpose of quality affordable housing. The house has been sold to income eligible families.

Discussion

See discussion above.

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
City of Montebello	Other	• Ownership & Administration • Economic & Community Development • Planning • Neighborhood Improvements • Public facilities • Public services	Jurisdiction
MHDC	Development Corporation	• Community Development/ Housing	Jurisdiction
HRC	Subrecipient	Public services	Jurisdiction
Summer Youth Employment Program	Subrecipient	Public services	Jurisdiction
LAHSA and LACDA	PHA	Homelessness Advocacy and Outreach Programs Public Housing Rental Assistance	Jurisdiction

Table 53 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

Overall, the City's community development delivery system uses the commitment of many agencies to achieve these goals and over the past year, has seen enhanced coordination with all agencies and greater transparency of its activities. Increasingly, the City is focusing its greatest priorities on preserving families and the homeless.

The above table represents the lead agencies and organizations that will play a major role in administering CDBG and HOME, based on partnerships with these entities. This is not intended to be a comprehensive list given that some public services organizations will not be selected to participate until after the plan has been approved.

CDBG funds received by the City are administered by the Planning & Community Development Department with oversight by the Finance Department. The City relies on a number of governmental departments and agencies, private, nonprofit organizations, and for-profit developers to carry out the City's housing and community development program. The City's Planning and Community Development Department, which includes the Economic Development Division and the Housing Division, functions directly impact and facilitate the development of housing. Housing developers are an important partner and essential for the development of market-rate and affordable housing. Private developers are unable to build affordable units without government or other subsidies because of the high cost of land in the city. The Public Works Department is responsible for the design, construction, maintenance, and operation of public facilities as well as for administering infrastructure projects. LACDA administers the HUD Section 8 Housing Choice Voucher Program and public housing, which benefits the city's low-income population with publicly assisted rental housing. A number of nonprofit public services agencies provide emergency shelter, transitional and special needs housing, and services to the homeless population and to low- and moderate-income households.

The City staff works with limited budgets and will continue to work closely with these entities to make all efforts to achieve housing and community development goals. The gaps in the institutional delivery system is the lack of resources and city staff to implement affordable housing, economic development and infrastructure improvement projects. Coordination between multiple agencies has increased in order to avoid duplication of services.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	X
Mortgage Assistance	X		
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
Street Outreach Services			
Law Enforcement	X	X	
Mobile Clinics		X	
Other Street Outreach Services	X	X	
Supportive Services			

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	X
Mortgage Assistance	X		
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
Street Outreach Services			
Law Enforcement	X	X	
Mobile Clinics		X	
Other Street Outreach Services	X	X	
Alcohol & Drug Abuse	X	X	X
Child Care	X	X	
Education	X	X	
Employment and Employment Training	X	X	
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	X
Other			
Other - Youth	X	X	

Table 54 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

The City is served by the Service Planning Area (SPA) 7 located in the East Los Angeles area. SPA 7 comprises of 28 cities, including Montebello. The needs of homeless persons in the city and the surrounding area are served through a network of agencies and service providers including LAHSA, the City, the Montebello Police Department, the school districts in the area, and social service agencies. The City of Montebello is a participant in the CoC.

The City has an active homeless network, resources, and support from LAHSA as well as other service providers, including San Gabriel Valley Coalition for the Homeless and Family Promise of San Gabriel Valley and the newly implemented MCAP. LAHSA Emergency Response Teams (ERT's) are available to assist residents 24 hours a day, seven days a week through the 211 LA County line. LAHSA ERT's offer outreach services to homeless encampment dwellers, emergency services and shelter referrals to homeless families and unaccompanied adults and youth, direct emergency services and transportation, and emergency assistance and referrals to social service agencies for people in the County of Los Angeles who are homeless or at risk of experiencing homelessness.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

Due to the aging infrastructure in the City and policies for housing service delivery for special needs populations (from group home approaches to scattered site housing approaches), the institutional delivery systems in the City are still catching up to addressing long -term housing needs of those with special needs. The City considers supportive services and housing for special needs populations a high priority. Supportive services are also considered a high priority in the CoC. In 2020-2021, the City will fund several public service programs that aid with shelter assistance, food subsidies and other supportive services.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

The City may have minor gaps in the institutional structure and service delivery system at this time, however increased coordination and consultation with its partner organizations, SPA 7, and its subrecipients will begin to fill some of the holes in the institutional delivery system.

Still, one major obstacle to delivery of services through a variety of institutions is the continuing trend in reduction of federal and state funds for a variety of needed programs. Leveraging local, private, and state and federal funds in the future is paramount to attaining the goals and actions discussed in the ConPlan.

SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	**Increase affordable housing opportunities**	2020	2025	Public Service Affordable Housing	Citywide	Affordable housing and lower housing costs	As funding becomes available	Construct affordable housing development: 1 project
2	**Maintain decent and energy efficient housing stock**	2020	2025	Affordable Housing Special Needs	Citywide	Assistance for extremely low and low income households	CDGB $900,000	Homeowner Housing Rehabilitation. Households/Housing Units: 15
3	**Create sustainable neighborhoods**	2020	2025	Community Facilities Public Facilities	Eligible Low and Moderate Income Block Groups, Citywide	Enhance facilities and programs for youth and seniors. Correct infrastructure issues	CDBG $885,515	Street Improvements Households: 20 Fire Station Improvements: 500 Persons Senior Center Improvements: 100 Persons
4	**Expand fair housing choice and access**	2020	2025	Public Services	Citywide	Increase homeownership	HOME $100,000	Public Services Activities other than Low/Moderate Income Housing Benefit: 500 households assisted
5	**Provide vital public services**	2020	2025	Public Services	Citywide	Homeless prevention services	CDBG-CV $313,122 CDBG $200,000	MCAP: 175 LMI Persons
6	**Increase earning capacity for LMI families**	2020	2025	Non-Housing Economic Development	Citywide	Provide job training and opportunities for more jobs	CDBG $100,000	SYEP: 48 LMI Persons

7	**Expanding economic opportunities**	2020	2025	Economic development	Citywide	Low Income Persons	$2,700,000	Public facility or infrastructure activities other than low/moderate income housing benefit (Section 108)
8	**Planning and administration**	2020	2025	Delivery of organization and administration of the CDBG and HOME programs	Citywide	Planning and Administration	CDBG $731,826 HOME $286,542 CDBG-CV $78,280 Total: $1,096,648	Efficient and effective administration of planning and execution of CDBG and HOME programs

Table 55 – Goals Summary

Goal Descriptions			
1	Goal Name		**Increase affordable housing opportunities.**
	Goal Description		Provide funding for the development of new affordable housing, homebuyer assistance programs and or utility or rent reduction programs for low and moderate income families. Fund housing solutions that may include: programs that increase homeownership, housing improvements for special needs populations, support integrated housing solutions and plans, and reduce barriers to affordable housing consistent with the City's Analysis for Impediment to Fair Housing Choice.
2	Goal Name		**Maintain decent and energy efficient housing stock.**
	Goal Description		Provide funding for programs for rental and or owner–occupied housing rehabilitation including activities related to home improvements, energy efficiency, structural improvements, and or other home sustainability projects.
3	Goal Name		**Create sustainable neighborhoods.**
	Goal Description		Activities that improve the quality of life for residents including improving parks, creating green streets, improving accessibility, water and sewer system improvements, and road reconstruction and pedestrian safety.
4	Goal Name		**Expand fair housing choice and access.**
	Goal Description		The City will continue to collaborate with entities that provide assistance for families and individuals seeking counseling and or legal solutions to fair housing and discrimination problems.
5	Goal Name		**Provide vital public services.**
	Goal Description		Provide needed public services that assist individuals and families in the following ways: crisis intervention, crime prevention, homeless prevention, services for at-risk families, shelter in-take services, senior and special needs services, nutrition and preventative health services, supplemental food/clothing/counseling and job search assistance to those who are homeless or at-risk of homelessness, and other vital social services.
6	Goal Name		**Increase the earning capacity for LMI families**.
	Goal Description		Pursue opportunities that will connect LMI families with job training, career guidance, and part-time and full time work. The City also wishes to fund business recruitment, attraction and or expansion initiatives that generating jobs.
7	Goal Name		**Expanding economic opportunities**
	Goal Description		Public facility and infrastructure activities other than low/moderate income housing benefit (Section 108 loan).
8	Goal Name		**Planning and administration**
	Goal Description		Planning and Administration provides funds for program and project delivery, general operation and administration of CDBG and HOME funds as well as planning and support for CHDO.

Table 56 – Goal Descriptions

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

The City anticipates providing funds for home improvements and or rehabilitation projects to LMI families using both CDBG and HOME funds. The City estimates in the next five years assisting 5 households per year.

SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

The City does not own any public housing units or any other types of housing units.

Activities to Increase Resident Involvements

LACDA serves the City and provides Section 8 housing voucher assistance to the residents. The City will continue to provide support services as requested by LACDA.

Is the public housing agency designated as troubled under 24 CFR part 902?

This does not apply.

Plan to remove the 'troubled' designation

This does not apply.

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

City staff, stakeholders and the community at-large identified and prioritized fair housing issues and contributing factors to fair housing. Barriers to affordable housing as well as other housing information can be found in the City's draft 2020-2025 AI. A summary of the high priority barriers to affordable housing include:

- High cost of housing
- Housing values are increasing faster than household incomes
- Low number of affordable homes vs. market rate or higher cost homes
- Low number of housing opportunities for larger families
- Low ability to become a homeowner
- Lack of household financial stability
- Lack of funds to subsidize economic development projects
- Undereducated residents
- Aging housing and infrastructure
- Homeless prevention services
- Current land use policies do not support the development of affordable housing

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

The AI provided goals and action steps developed as a result of specific data capture and existing programs and policies. Agency consultation, community outreach activities, data review and analysis process were needed to develop the plan's goals and associated action steps (Refer to the AI, Table 46 and 47):

Goal 1: Increase affordable housing opportunities.
Goal 2: Increase home ownership.
Goal 3: Create public awareness of fair housing laws and affordable housing advocacy.
Goal 4: Increase training, education and employment opportunities.

Table 47 presents the AI Goals and Action Steps, if put in place could further fair housing and affordable housing. As part of the engagement process, ideas and recommended action steps were documented to help provide clearer direction for Council, City staff and partnering agencies.

SP-60 Homelessness Strategy – 91.215(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

LAHSA reported 170 homeless people were counted in January 2020. The City plans to fund organizations that assist seniors, and the homeless as well as advocacy services for fair housing. Approximately 18% of the City's 2020-2021 funds will be spent on activities that support services for special needs populations (see AP-35 for specific activities). The City, CoC, and LAHSA supports several homeless shelters and ancillary public services that provide food, shelter, clothing and counseling services within 1 to 7 miles from the city including: Whittier Area First Day Coalition, Bell Shelter-Salvation Army, HPRP Huntington Park Homeless Services, Family Promise of San Gabriel Valley, Dolores Mission, Ollie House and the Volunteers of America Homeless Support Services, Emmanuel Baptist Rescue Mission, and East San Gabriel Valley Coalition for the Homeless.

While Montebello does not appear to have a large homeless population, homeless persons and those at risk of homelessness both suffer economic hardship and are in need of permanent housing. Homelessness is a widespread problem best addressed at the regional level. The Los Angeles County Homeless Initiative prepared a Homeless Plan, adopted June 2018. As part of the planning process four Input Sessions were held and goals were created specifically for Montebello.

- Goal #1: Better understand the City's homeless population
- Goal #2: Coordinate with regional partners on homelessness plan implementation
- Goal #3: Explore the feasibility of shelter options and services
- Goal #4: Promote the development of affordable housing
- Goal #5: Enhance current homelessness engagement activities
- Goal #6: Expand access to workforce development and employment programs

Related to Goal #1 above the collection of data only once a year hinders the City to take adequate measures to reduce homelessness. The Coordinated Entry System (CES) is a framework that unites regional providers working collaboratively to house chronically homeless individuals. Through the use of a common assessment tool, individuals are prioritized into the most appropriate housing based on their needs. CES also coordinates county and federal resources from agencies such as the Department of Mental Health, the Department of Health Services, housing authorities, and the Department of Veterans Affairs.

The City intends to implement the plan in the following ways:

1. Participates on cohort calls with the San Gabriel Valley Council of Governments to help address homelessness issues throughout the region.
2. Create bridge or interim housing for those exiting institutions.
3. Enhance CalWORKs Subsidized Employment Program for Homeless Families
4. Support area organization's Homeless Case Managers
5. Provide First-Responders Training
6. Strengthen CES
7. Amend land use ordinances to provide incentive zoning for affordable housing
8. Use public land for homeless housing

The City recognizes the importance of assisting the homeless and near homeless with a continuum of care approach that not only addresses a homeless person's immediate shelter needs but also provides transitional housing, support services, and employment opportunities to break the cycle of homelessness.

Addressing the emergency and transitional housing needs of homeless persons

Bell Shelter is one of the primary homeless shelters in SPA 7 which offers not only emergency and transitional housing but also supportive services including: case management; supportive and transitional housing; individual and group counseling; drug and alcohol treatment; 'Back on Track" program to address emotional and psychological barriers to escaping homelessness; alternative sentencing for non-violent offenders; job search assistance; and a homeless veterans reintegration program. Other housing and supportive services in SPA 7 include Southern California Alcohol and Drug Program, Women & Children Crisis Shelter, Su Casa Ending Domestic Violence, and the Los Angeles County Department of Children and Family Services.

The CoC offers housing (nearly 300 beds available) and supportive services to address the needs of homeless persons. Within SPA 7:

Emergency Shelter:

- 541 beds serving individuals and families with children

Transitional Housing

- 615 beds serving individuals with families with children

Permanent Supportive Housing

- 615 beds serving individuals with families with children

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Priority needs statements that help homeless persons include:

- Assistance for extremely low and low income households
- Affordable housing and lower housing costs (*families with children, Hispanic and African American households, single parent households, elderly)(primarily 3 bedroom units)
- Pursue opportunities to increase household income
- Provide job training and opportunities for more jobs
- Homeless prevention services and shelter
- Amend zoning to support affordable and fair housing opportunities

As a result, the City set three overarching goals that directly relate to helping homeless persons.

1. Increase affordable housing opportunities.
2. Increase the earning capacity for LMI families.
3. Provide vital public services

Within the County, veterans can take advantage of the Supportive Services for Veteran Families Program. This national program assists by providing grants for rapid rehousing and homeless prevention services. The program's objective is to achieve housing stability through a short-term, focused intervention. The SSVF employs a housing-first model, which focuses on helping individuals and families access and sustain permanent rental housing as quickly as possible and without precondition, while facilitating access to those services that will help the veteran's family keep their housing.

There are several programs in Los Angeles County that serve this unaccompanied youth including 1736 Emergency Youth Shelter, Hathaway-Sycamores: Independent Living Program, Divinity Prophet: Independent Living Program, and Richstone: Transitional Housing Program and Transitional Living.

The First 5 LA Supportive Housing Program (First 5 LA) is a needs-based assistance program aimed at serving homeless or at-risk families with children from birth to age 5, some with current or past involvement with the County Department of Children and Family Services.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

Agencies involved with persons discharged from institutions and systems of care, including the Los Angeles County Department of Children and Family Services, Department of Health Services, Department of Mental Health, California Department of Corrections and Rehabilitation, and Los Angeles County Sheriff's Department, all have requirements stipulated by state law or county regulations requiring effective discharge planning and a specific transition plan to ensure individuals and families are not discharged into homelessness.

The County operates four locations that support the Long-Term Transitional Housing Program (THP). THP is geared towards long-term or life-term offenders seeking programming and support after years of incarceration. This program provides meals, support services, resources, and programming with housing and supervision in a safe, clean, and drug-free environment. THP offers services that focus on long-term offender needs such as employment, job search and placement training, stress management, victim awareness, computer supported literacy, and life skills. Substance use education and a 52-week certified domestic violence program is provided to applicable parolees. THP provides peer-driven support, assistance, and guidance to newly released long-term offenders to assist parolees with successful reintegration into their communities.

The Los Angeles County Department of Children and Family Services (DCFS) operates with three main goals in mind for the children under our care: Safety, Well-Being and Permanency. DCFS is committed to ensuring that all children have access to loving and safe homes, and that families have what they need to help their children thrive. A detailed listing of programs are shown on the following website. https://dcfs.lacounty.gov/about/what-we-do/dcfs-specialized-programs/.

The Department of Health Services (DHS) is an integrate system of providers, clinics, and hospitals that provide ongoing care for chronic medical conditions, adult/family medicine, emergency services, geriatric medicine, HIV/AIDS, inpatients services, pediatrics, pharmacy services, rehabilitation medicine, specialty care, urgent care, women's health.

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

Homes built before 1980 represent housing stock that may need various forms of rehabilitation along with presenting possible Lead-Based Paint hazards for tenants. When houses become around 30-40 years old and rehabilitation has been deferred, the overall housing condition may become affected. Lead-based paint hazards is a relevant issue for the City. Data provided by the ACS and CHAS through 2015 shows that 88.2% of housing stock in the City was built in 1979 or earlier. Therefore, a large portion of the housing stock may be in need of a lead risk assessments and potentially abatement in order to improve conditions. In an effort to preserve the city's aging housing stock, the City has operated a Housing Rehabilitation and Preservation Program for a number of years that requires lead-based paint assessments and abatement to be an integral part of the project.

How are the actions listed above related to the extent of lead poisoning and hazards?

The City's HOME-funded Housing Rehabilitation and Preservation Program follows the requirements of Lead Safe Housing Regulation 24 CFR Part 35 effective September 15, 2000, and the subsequent September 2000 HUD transition assistance policy. The City will use, when required, state of California-certified lead- based paint inspectors/risk assessors to test for lead paint and perform risk assessments on houses testing positive, and certified lead-based paint contractors to remove and/or abate lead paint.

How are the actions listed above integrated into housing policies and procedures?

The City complies with lead-based requirements at 24 CFR 570.608 as part of the administration of the HOME program. The implementation of the lead-based paint hazards strategy to reduce the risk of lead-based paint poisoning is incorporated as part of the procedures of the City's Housing Rehabilitation and Preservation Program (HRPP).

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

Current census data identifies the five census tracts south of Whittier Boulevard with a higher concentration of Hispanics at 92.3 percent, who have an overall lower median income and higher poverty rates compared to the 10 census tracts north of Whittier Boulevard. The City has focused on the creation of jobs for low- and moderate-income persons through youth employment programs, capital improvement projects, and the extensive projects related to the Whittier Boulevard Corridor Revitalization (funded by Section 108 loan funds). Programs related to housing improvement, homeless shelters, supporting the County's rental assistance program, and funding affordable housing creation have resulted in housing the homeless and improving the living conditions of the elderly and low-income families. The 2020-2025 Plan's priority needs and goals that address reducing poverty include:

Needs	Goals
• Assistance for extremely low and low income households.	• Increase affordable housing opportunities.
• Affordable housing and lower housing costs.	• Maintain decent and energy efficient housing stock.
• Reduced housing improvement costs.	• Expand fair housing choice and access
• Pursue opportunities to increase household income.	• Provide vital public services.
• Provide job training and opportunities for more jobs.	• Increase the earning capacity for LMI families.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

The Center for American Progress published the 2018 California Report states that for every 100 renter households with very low incomes at or below 50% of the area median income, there are only 31 affordable units. For those living in poverty only 12.7% can afford health insurance coverage. In the City itself, the ACS 5-year Estimate lists 13.8% of the total population living with an income below the poverty line, just slightly higher than the rest of the state.

Forty-three percent of the City's LMI households (up to 80 percent of AMI) spend more than 30 percent of their household income on housing and 24 percent of them spend over 50 percent of their household income on housing. In both cases, about nearly twice as many renters face this problem as homeowners. Overcrowding for renters is also a housing problem, which may reflect the inability of households to afford larger units, possibly as a result of a shortage of affordable housing for larger households.

Low Income and Poverty:

- 63% of the total households are at or below 80% of AMI and considered "low income," per HUD regulations
- 20% of the total households are considered extremely low income or below 30% of AMI.
- 13% of all residents in the City are living below poverty of which 21% are African American and 17% are Hispanic

- 48% of the City's Low income households spend more than 30% of their household income on housing costs and 24% spend over 50% of their household income on housing costs
- 72% of the families with small children in the City are low income and 22% are extremely low income.

SP-80 Monitoring –91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements.

CDBG funds received by the City are administered by the Finance Department and monitoring is carried out by the City's Planning and Community Development Department. The City relies on a number of governmental departments and agencies, for-profit developers, and private, nonprofit organizations to carry out the City's housing and community development program. The City's Community Development Department's functions directly impact and facilitate the development of housing, infrastructure improvements, community facilities, and homeless prevention.

- Housing developers are important partners and essential for the development of both market-rate and affordable housing units. In the current market, private developers are unable to build affordable units without government or other subsidies because of the high cost of land in the city.
- The Public Works Department is responsible for the design, construction, maintenance, and operation of public facilities as well as for administering infrastructure projects.
- LACDA administers the HUD Section 8 Housing Choice Voucher Program and public housing, which benefits the City's low-income population with publicly assisted rental housing.
- A number of nonprofit public service agencies provide emergency shelter, transitional and special needs housing, and services to the homeless population and to low- and moderate-income households.

Gaps or weaknesses in the institutional structure may exist including: the loss of a redevelopment program is a significant challenge to fund future affordable housing projects. The primary funding source for affordable housing and its administrative costs is HOME. Also, CDBG funding reductions over the years has reduced funding that went to other community development programs. Essentially, these cutbacks resulted in staff and budgets reductions.

2020-2021 Annual Action Plan

2020 ANNUAL ACTION PLAN

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The city anticipates utilizing the following resources during FY 2020-2021 to meet Consolidated Plan Goals:

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan: $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	Public federal	Admin and Planning, Public Improvements, Public Services	$665,346	$493,785	$420,431	$1,579,562	$2,611,384	The City expects to receive $3,250,000 over the next 5 years CDBG entitlement funds; $665,346 in Year 1. Any unencumbered funds from prior year (s) resources will be allocated to public facilities improvements.
HOME	Public federal	Acquisition Homeowner rehab Multifamily rental new and rehab TBRA	$258,317	$143,853	$0	$402,170	$1,303,268	The City expects to receive $1,500,000 over the next 5 years in HOME entitlement funds; $258,317 in Year 1.
CDBG-CV	Public federal	Public Service	$391,402	$0	$0	$391,402	$0	The city Expects to receive $391,402 in CDBG-CV funds in response to COVID.

Table 52 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.

The City will continue to use state and local funds to leverage federal entitlement dollars, including but not limited to:

- City General Funds (Affordable housing projects)
- Preserve the City's existing affordable housing stock for low- to moderate-income households (i.e. State CalHome Fund Owner-Occupied Rehabilitation Loan Program (OOR)— Emergency Grant, Grant & Rebate

Montebello implements the goals, objectives, and policies of the AI and ConPlan by using funds to bolster public services that will lead to housing benefits for low-to-moderate income residents.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.

The City does not have any publicly owned properties that will be used for CDBG projects or programs at this time.

Discussion

ANNUAL GOALS AND OBJECTIVES

AP-20 Annual Goals and Objectives

Goals Summary Information

1	**Goal Name**	**Increase affordable housing opportunities.**
	Goal Description	Provide funding for the development of new affordable housing, homebuyer assistance programs and or utility or rent reduction programs for low and moderate income families. Fund housing solutions that may include: programs that increase homeownership, housing improvements for special needs populations, support integrated housing solutions and plans, and reduce barriers to affordable housing consistent with the City's Analysis for Impediment to Fair Housing Choice.
2	**Goal Name**	**Maintain decent and energy efficient housing stock.**
	Goal Description	Provide funding for programs for owner–occupied housing rehabilitation including activities related to home improvements, energy efficiency, structural improvements, and or other home sustainability projects.
3	**Goal Name**	**Create sustainable neighborhoods.**
	Goal Description	Activities that improve the quality of life for residents including improving parks, creating green streets, improving accessibility, water and sewer system improvements, and road reconstruction and pedestrian safety.
4	**Goal Name**	**Expand fair housing choice and access.**
	Goal Description	The City will continue to collaborate with entities that provide assistance for families and individuals seeking counseling and or legal solutions to fair housing, discrimination problems, and impacts due to the COVID-19 pandemic.
5	**Goal Name**	**Provide vital public services.**
	Goal Description	Provide needed public services that assist individuals and families in the following ways: crisis intervention, crime prevention, homeless prevention, services for at-risk families, shelter in-take services, senior and special needs services, nutrition and preventative health services, supplemental food/clothing/counseling and job search assistance to those who are homeless or at-risk of homelessness, and other vital social services including services in response to COVID-19 pandemic.
6	**Goal Name**	**Increase the earning capacity for LMI families**.
	Goal Description	Pursue opportunities that will connect LMI families with job training, career guidance, and part-time and full time work. The City also wishes to fund business recruitment, attraction and or expansion initiatives that generate jobs and respond to the impacts of the COVID-19 pandemic.
7	**Goal Name**	**Expanding economic opportunities**
	Goal Description	Needed infrastructure improvements
8	**Goal Name**	**Planning and administration**
	Goal Description	Planning and Administration provides funds for program and project delivery, general operation and administration of CDBG and HOME funds as well as planning and support for CHDO.

Table 53 – Goals Summary

PROJECTS

AP-35 Projects –91.220(d)

Introduction

Projects

#	Project Name
1	Southern California Housing rights Center (HRC)
2	Section 108 Loan Payment
3	Public Facilities Improvements
4	Street Improvements
5	Montebello Senior Center Improvements
6	Planning and Administration CDBG
7	Housing Rehabilitation and Preservation Program (HRPP)
8	Planning and Administration HOME
9	Montebello Community Assistance Program (MCAP)
10	CDBG-CV Program Administration

Table 54 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs.

The City recognizes that special needs populations encounter challenges due to low income and the special conditions that they face. Special needs populations are more likely to become homeless because of these factors. Special needs populations require housing and supportive services. The City considers supportive services and housing for special needs populations a high priority. Supportive services are also considered a high priority in the CoC. In 2020-2021, the City will fund a new public service homeless program improvement to public facilities and streets in eligible low-moderate areas.

In making project recommendations, consideration was given to a variety of thresholds that projects must meet to comply with CDBG objectives, including meeting one of the national objectives and addressing one of the community priorities set out in the Consolidated Plan. Staff also considered all engagement activities, housing and homeless data, established priority needs, cost reasonableness and effectiveness, activity management and implementation, experience with similar activities, past performance, leveraged funds, and completeness of the application. Project recommendations are for those projects determined most likely to be successful and maintain compliance with CDBG and HOME regulations.

AP-38 Project Summary

Project Summary Information

1	**Project Name**	**Southern California Housing Rights Center (HRC)**
	Target Area	Citywide
	Goals Supported	Expand fair housing choice and access
	Needs Addressed	Support land use policies further affordable and equitable housing opportunities
	Funding	CDBG (Admin): $20,000
	Description	HRC will provide fair housing services; handle fair housing cases and education.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	100 households assisted. Two housing rights workshops provided.
	Location Description	3255 Wilshire Blvd. Los Angeles, CA
	Planned Activities	CDBG funds will be used to provide fair housing services to residents to prevent discrimination, provide referrals, investigations, case management, and litigation, and resolve landlord tenant disputes.
2	**Project Name**	**Section 108 Loan Payment**
	Target Area	Whittier Revitalization Area
	Goals Supported	Expanding economic opportunities
	Needs Addressed	needed infrastructure improvements
	Funding	CDBG: $462,2221
	Description	Completed improvements include the replacement of sidewalks, curbs and gutter, street irrigation, lighting, water and sewer lines, sidewalk improvements compliant with the Americans with Disabilities Act, landscaping, and street furniture.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Loan repayment - not applicable
	Location Description	1600 West Beverly Blvd., Montebello, CA
	Planned Activities	Section 108 Loan Payment
3	**Project Name**	**Public Facility Improvements**
	Target Area	Citywide
	Goals Supported	Public facility infrastructure

	Needs Addressed	Construct or upgrade public facilities or infrastructure
	Funding	CDBG: $465,084
	Description	Funds will be used to undertake facility improvements to City Fire Stations.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	500 people
	Location Description	1166 S. Greenwood Ave., Montebello, CA 600 N. Beverly Blvd., Montebello, CA 2950 W. Via Acosta, Montebello, CA
	Planned Activities	Update and improve fire stations.
4	**Project Name**	**Street Improvements**
	Target Area	Citywide
	Goals Supported	Create sustainable neighborhoods
	Needs Addressed	Infrastructure improvements
	Funding	CDBG: $77,988
	Description	Street improvements including sidewalks, curbs, gutters, and street lighting.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	20 families/households
	Location Description	Citywide
	Planned Activities	Replacement of sidewalks, curbs, gutters, and street lighting
5	**Project Name**	**Montebello Senior Center Improvements**
	Target Area	Montebello Senior Center
	Goals Supported	Construct or upgrade public facilities or infrastructure
	Needs Addressed	Infrastructure improvements
	Funding	$342,443
	Description	Funds will be used to undertake facility improvements.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	100 seniors
	Location Description	115 S. Taylor Ave., Montebello, CA
	Planned Activities	Update facility
6	**Project Name**	**Program Administration CDBG**
	Target Area	Citywide
	Goals Supported	Planning and Administration
	Needs Addressed	Planning and Administration
	Funding	CDBG: $211,826

	Description	The City will continue to provide planning and administration services required to manage and operate the City's CDBG program. Such funds will assist in managing community development, housing, and economic development programs.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Planning and Administration
	Location Description	1600 West Beverly Blvd., Montebello, CA
	Planned Activities	Program administration
7	**Project Name**	**Housing Rehabilitation and Preservation Program (HRPP)**
	Target Area	Citywide
	Goals Supported	Maintain decent and energy efficient housing stock
	Needs Addressed	Homeowner rehabilitation program
	Funding	HOME: $301,628
	Description	Rehabilitation and preservation
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	5 Families/households
	Location Description	Citywide
	Planned Activities	Home improvements that correct code violations that
8	**Project Name**	**Program Administration HOME**
	Target Area	Citywide
	Goals Supported	Planning and Administration
	Needs Addressed	Planning and Administration
	Funding	HOME: 100,542
	Description	The City will continue to provide planning and administration services required to manage and operate the City's HOME program. Such funds will assist in managing community development, housing, and economic development programs.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Planning and Administration
	Location Description	1600 West Beverly Blvd., Montebello, CA
	Planned Activities	Planning and Administration

9	**Project Name**	**Montebello Community Assistance Program (MCAP)**
	Target Area	Citywide
	Goals Supported	Provide vital public services
	Needs Addressed	Homeless prevention services and shelters
	Funding	CDBG-CV: $313,122
	Description	Provide a variety of services for homeless persons and low income persons in the community.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	75-100 homeless persons
	Location Description	1600 West Beverly Blvd., Montebello, CA
	Planned Activities	The City will provide outreach services, motel vouchers, food, and showers for homeless persons in the community.
10	**Project Name**	**Program Administration CDBG-CV**
	Target Area	Citywide
	Goals Supported	Planning and Administration
	Needs Addressed	Planning and Administration
	Funding	CDBG-CV: $78,280
	Description	The City will continue to provide planning and administration services required to manage and operate the City's CDBG-CV program. Such funds will assist in managing activities in response to the COVID-19 pandemic.
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Planning and Administration
	Location Description	1600 West Beverly Blvd., Montebello, CA
	Planned Activities	Program administration costs for CDBG-CV operations.

Table 55 – Project Information

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City anticipates spending at least 70 percent of its entitlement funds in target areas, including areas that have low- and moderate-income concentrations or minority concentrations. Maps of low- and moderate-income concentrations and minority concentrations are attached.

HUD's funded activities are limited to the city's low- and moderate-income areas, which encompass the majority of the city's residential areas. Areas of the city outside of the CDBG target areas will benefit from activities that are limited clientele in nature, i.e., a person/household can benefit from a federally assisted program provided they meet the program's eligibility criteria. Eligibility is typically established by household income and household size.

CDBG program funds will be expended based on program criteria. For example, public services are available on a citywide basis for qualified beneficiaries; fair housing and program administration activities will also be carried out on a citywide basis. Housing code enforcement and community development projects (e.g., street and park improvement projects) will be carried out in the city's low- and moderate-income areas, i.e., areas where most residents meet HUD's low- and moderate-income definition.

Geographic Distribution

Target Area	Percentage of Funds
Citywide	**70%**

Table 56 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City generally does not allocate funds on a geographic basis. On an annual basis, the City prioritizes the use of its CDBG funding for citywide housing and community development activities including housing, public services, fair housing, and public facilities. Activities identified under the public services category and targeted to special needs populations are offered on a citywide basis and/or where resources can be coordinated with existing facilities or services. Public improvements and public facilities are qualified as benefitting low- and moderate-income persons.

Discussion

See above discussion.

AFFORDABLE HOUSING

AP-55 Affordable Housing – 91.220(g)

Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	75-100
Non-Homeless	300
Special-Needs (youth)	
Total	375

Table 57 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	5
Acquisition of Existing Units	0
Total	5

Table 58 - One Year Goals for Affordable Housing by Support Type

Discussion

The City's strategies relating to affordable housing efforts include maintaining the affordable housing stock through the Housing Rehabilitation and Preservation Program; and support for rental assistance programs through the County, such as the Section 8 Housing Choice Voucher. The City's AI recommends amending portions of its zoning code that better supports affordable housing. The valued services help prevent homelessness and aim to assist at-risk youth and teenagers.

The City's housing policies support a Rental Rehabilitation Program by providing loans to investor owned properties to assist in the ability to improve the City's rental housing stock in need of rehabilitation, to provide safe, decent, and sanitary housing for lower income families. The City also puts funding toward the preservation of existing at-risk affordable housing for technical assistance to property owners and by monitoring Section 8 legislation. To facilitate the development of affordable units, the City uses the State's density bonus law by offering a density bonus of between 20 and 35%.

Typically, the City uses its HOME funds for low income housing development and rehabilitation of owner-occupied single-family properties. The City must use the HOME affordable homeownership limits provided by HUD when setting price limits for affordable home sales and when using HOME funds for home rehabilitation. Also, the use of funds for HOME assisted activities requires that the value of the property after rehabilitation must not exceed 95% of the median purchase price for the area. The HOME Final Rule offers two options for determining the 95% of median purchase price limit for owner-occupied single-family housing, as noted below:

(1) HUD will provide limits for affordable housing based on 95 percent of the median purchase price for the area; OR
(2) Perform a local market survey to determine the 95 percent of median purchase price limit.

After review of the published 2019 HOME affordable homeownership limits provided by HUD, for Los Angeles County for determining 95 percent of the median purchase price limit, it was determined that the median price for Montebello homes is $451,250. For a newly constructed unit, the limit is $491,345. Based on FHA standard practice, the following multipliers are used for 2-, 3-, and 4-unit properties: 1.28, 1.55, and 1.92 times the 1-unit limit respectively. Based on a comparison of local housing market listing prices and sales information, it was determined that the FHA limits do not accurately reflect current actual home purchase prices for the area. Therefore, a local market survey was conducted for Montebello home sales for a three-month period using HdL data. This survey shows a median price of $535,590 in the City of Montebello and a 95% median value price of $508,810 (*see home sales data table below*).

FHA – Market Median Price	$451,250
FHA – Market Median Price for newly constructed	$491,000
Montebello Local Market Survey Median Price	$535,590
95% of Montebello Local Market Survey Median Price	**$508,810**

As a result of this conclusion, it is our recommendation that the City of Montebello use the local market survey price as the determinant of the 95 percent median purchase price limit as it is higher than the FHA-Market Median Price.

3-Month Home Sales Data, Montebello, CA			
December 2019 to February 2020			
#	**Sale Date**	**Address**	**Price** *(median sales price)*
1	2-18-2020	630 13 S Maple # 13 Ave	$65,000
2	1/16/2020	8509 Beverly Blvd #87	$105,000
3	1/17/2020	1620 Neil Armstrong St #209	$230,000
4	12/27/2019	730 Frankel Ave Unit B1	$310,000
5	2/21/2020	1661 Neil Armstrong St #253	$338,000
6	2/21/2020	1791 Neil Armstrong St #206	$355,000
7	12/18/2019	248 E Beverly Blvd Unit A	$385,000
8	1/8/2020	203 Ridge Terrace Ln	$385,000
9	12/11/2019	1635 Firvale Ave	$390,000
10	12/27/2019	1701 Firvale Ave #58	$390,000
11	2/19/2020	1610 Neil Armstrong St #104	$395,000
12	2/3/2020	1133 Maxwell St	$400,000
13	2/22/2020	1032 Carob Way #4	$405,000
14	2/13/2020	336 N 1st St	$410,000
15	1/2/2020	1640 Neil Armstrong St #206	$411,400
16	12/17/2019	1630 Neil Armstrong St #303	$420,000
17	Not Listed	405 N Taylor Ave	$450,000

18	12/27/2019	821 S 5th St	$485,000
19	12/23/2019	6700 Ferguson Dr	$487,000
20	12/19/2019	416 Brady Ave	$490,000
21	2/10/2020	1018 Roble Pl #6	$490,000
22	2/12/2020	909 W Oakwood St #4	$499,000
23	1/29/2020	909 W Oakwood St #2	$499,000
24	2/3/2020	909 W Oakwood St #6	$499,000
25	2/5/2020	909 W Oakwood St #3	$499,000
26	2/6/2020	909 W Oakwood St #5	$499,000
27	2/14/2020	909 W Oakwood St #7	$499,000
28	1/23/2020	859 S Greenwood Ave	$500,000
29	12/11/2019	605 Davis Ave	$515,000
30	12/10/2019	4629 Grape St	$520,000
31	12/13/2019	825 S 4th St	$520,000
32	Not Listed	716 Carmelita Pl	$520,000
33	1/31/2020	2405 Findlay Ave	$522,888
34	12/16/2019	392 S Gerhart Ave	$524,000
35	1/13/2020	716 W Oakwood St	$525,000
36	12/21/2019	348 S Pickering Way	$530,000
37	1/21/2020	749 Via Del Oro St	$530,000
38	Not Listed	796 W Fernfield Dr	$530,000
39	1/28/2020	114 N 6th St Unit B	$530,000
40	1/17/2020	3005 Via Cerro	$530,000
41	1/17/2020	709 Keenan St	$535,000
42	1/23/2020	129 N 5th St Unit E	$535,590
43	1/13/2020	836 W Cleveland Ave	$540,000
44	Not Listed	316 W Gleason St	$548,000
45	1/9/2020	333 S Bluff Rd	$553,000
46	1/22/2020	632 Carmelita Pl	$560,000
47	2/10/2020	157 Ellingbrook Dr	$570,000
48	2/5/2020	217 E Madison Ave	$575,000
49	12/31/2019	5801 Repetto Ave	$579,000
50	1/31/2020	125 N 5th St Unit D	$589,015
51	Not Listed	125 N 5th St Unit A	$589,500
52	Not Listed	540 N 7th St	$590,000
53	1/28/2020	506 N 18th St	$600,000
54	1/6/2020	620 Hendricks St	$600,000
55	12/11/2019	2420 Foxglove Dr	$600,000
56	2/14/2020	637 S Taylor Ave	$625,000
57	Not Listed	1017 N 4th St	$630,000
58	1/10/2020	832 S 3rd St	$639,900
59	12/15/2019	448 E Los Amigos Ave	$640,000
60	12/3/2019	816 E Avenida De La Merced	$640,000
61	1/31/2020	620 N 4th St	$640,000
62	12/19/2019	1513 Masser Pl	$645,000
63	12/6/2019	116 S 18th St	$655,000

64	12/5/2019	813 W Hughes Ave	$660,000
65	1/31/2020	737 Agajanian Way	$665,000
66	1/31/2020	113 N 21st St	$670,000
67	Not Listed	1008 W Madison Ave	$683,500
68	1/28/2020	417 E Los Amigos Ave	$690,000
69	12/11/2019	920 W Liberty Ave	$715,000
70	12/30/2019	912 W Ashiya Rd	$715,000
71	2/19/2020	1328 Carob Way	$729,500
72	1/23/2020	1001 Rose Glen Ave	$730,000
73	2/20/2020	203 Encanto Ln	$730,000
74	2/3/2020	409 Taylor Ave	$750,000
75	12/19/2019	1613 Appian Way	$763,888
76	1/31/2020	2652 W Lincoln Ave	$769,000
77	1/3/2020	716 Wilber Pl	$770,000
78	12/10/2019	1521 Appian Way	$815,000
79	1/17/2020	932 Lexington Ave	$850,000
80	2/26/2020	252 S 7th St	$905,000
81	1/14/2020	113 S 10th St	$1,075,000
82	12/19/2019	2120 W Victoria Ave	$1,200,000
83	12/30/2019	341 N 1st St	$2,150,000
84	Not Listed	2220 W Via Corona	$2,400,000

AP-60 Public Housing – 91.220(h)

Introduction

The City of Montebello does not own or manage public housing.

Actions planned during the next year to address the needs to public housing

The City of Montebello does not own or manage public housing.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

LACDA offers the Family Self-Sufficiency Program to assist residents toward greater independence and homeownership opportunities.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

LACDA is not designated as troubled.

Discussion

The City supports the efforts of LACDA in making rental assistance available to low-income households through the Section 8 program, but the City has no direct involvement in the ownership or management of public housing.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

To address the needs of homeless individuals and families, the City continues its efforts to identify efficient and effective means to distribute limited resources for homeless needs. The City has designated emergency and transitional housing as high priorities for addressing homelessness. Other efforts undertaken by the City are identified below:

1. Homeless Shelters

To accommodate its share of the region's homeless, the City utilized numerous nonprofit organizations to offer shelter and services to homeless persons. The City plans on establishing a homeless program to help the homeless population in the City with emergency motel and food vouchers. The City also participates in the Los Angeles County Continuum of Care Community Forum. The City works within this collaborative to help identify needs and gaps in the housing/service needs of the region's homeless.

2. Transitional and Supportive Housing

Supportive housing, as defined by Section 50675.14 of the California Health and Safety Code, is housing with no limit on the length of stay and that is occupied by a target population. The target population for supportive housing includes low-income persons having one or more disabilities. These disabilities may include mental illness, HIV or AIDS, substance abuse, or other chronic health conditions. Such housing is also linked to on-site or off-site services that assist residents in retaining their housing, improving their health status, and maximizing their ability to live and, when possible, work in the community. On- and off-site services may include, but are not limited to, tutoring, childcare, and career counseling.

Transitional housing, as defined by Section 50675.2 of the California Health and Safety Code, is housing configured as rental housing developments, which may include multifamily housing, single-family housing, or group homes. Such housing is operated under state or Federal program requirements that call for termination of assistance and recirculation of the housing unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Additional services that help individuals gain necessary life skills that support independent living are also allowed but not mandated.

State law allows a distinction in the permitting requirements for certain residential uses in single-family homes based on whether there are six or fewer, or seven or more, people served by the housing type. This size distinction currently exists in the City's Zoning Code for residential and group care facilities. Residential and group care facilities provide 24-hour per day residential living accommodations in exchange for the payment of money or other consideration, where the duration of tenancy is determined, in whole or in part, by the individual resident's participation in group or individual activities, such as counseling, recovery planning, or medical or therapeutic assistance. Residential or group care facilities include, but are not limited to, residential care facilities for persons with chronic, life-threatening illnesses, and alcoholism or drug abuse recovery or treatment facilities. Residential care facilities provide living accommodations for six or fewer persons and group care facilities provide living accommodations for seven or more persons.

This size distinction currently exists in the City's Zoning Code for residential and group care facilities. Residential and group care facilities provide 24-hour per day residential living accommodations in exchange for the payment of money or other consideration, where the duration of tenancy is determined, in whole or in part, by the individual resident's participation in group or individual activities, such as counseling, recovery planning, or medical or therapeutic assistance. Residential or group care facilities include, but are not limited to, residential care facilities for persons with chronic, life-threatening illnesses, and alcoholism or drug abuse recovery or treatment facilities. Residential care facilities provide living accommodations for six or fewer persons and group care facilities provide living accommodations for seven or more persons.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

The City plans on establishing a homeless outreach program to help the homeless population in the City with emergency motel vouchers. The City of Montebello also contracts with local service providers to assist in reducing homelessness.

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Los Angeles County is divided into eight Service Planning Areas (SPAs), 1 through 8. The division of the County makes it easier for the Department of Public Health to target and track the needs of each area. Montebello is located in SPA 7.

Every year, the Los Angeles Continuum of Care coordinates a Shelter/Housing Inventory Count (HIC), which is a point-in-time (PIT) inventory of service projects, and a record of utilization of services. HIC records how many beds and units are dedicated to serving people experiencing homelessness (e.g., emergency shelter, transitional housing, and safe haven) or people who have experienced homelessness and are now in permanent housing. The homeless count for the City of Montebello in 2020 was 170 unsheltered and 0 sheltered. The City will fund projects within the City in the 2020-2021 program year.

The CoC offers housing and supportive services to address the needs of homeless persons. Within SPA 7:

Emergency Shelter:
- 541 beds serving individuals and families with children

Transitional Housing
- 615 beds serving individuals with families with children

Permanent
Supportive housing
- 615 beds serving individuals with families with children

For the 2021-2021 program year, the City will allocate CDBG-CV fund to the help establish the Montebello Community Assistance Program (MCAP) which will outreach and engage the City's homeless population to support with emergency motel vouchers, PPE's, and hygiene kits. The City will also be a participant of the region's CoC.

Several programs, detailed below, offered in SPA 7 target different homeless client groups. The program presented below focuses on assessing the individual needs of homeless persons:

Coordinated Entry System (CES) – The CES is a framework that unites regional providers working collaboratively to house chronically homeless individuals. Using a common assessment tool, individuals are prioritized into the most appropriate housing based on their needs. The CES also coordinates County and Federal resources from agencies such as the Department of Mental Health, the Department of Health Services, housing authorities, and the U.S. Department of Veterans Affairs.

Addressing the emergency shelter and transitional housing needs of homeless persons
SPA 7 offers a variety of homeless housing facilities serving different client groups, and includes emergency shelters, transitional housing and permanent supportive housing (See above information).

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City has the goal of assisting homeless persons, especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth, make the transition to permanent housing and independent living include shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Homeless Family Solutions System – This program is a network of family homeless service providers that address the needs of homeless families or those at imminent risk of losing their housing. It works cooperatively with system partners to help families complete housing and service plans.

First 5 LA Supportive Housing Program (First 5 LA) – This program is a needs-based assistance program aimed at serving homeless or at-risk families with children from birth to age 5, some with current or past involvement with the County Department of Children and Family Services.

Supportive Services for Veteran Families (SSVF) – This program is a community-based, competitive grant program that rapidly rehouses homeless veteran families and prevents homelessness for those at imminent risk due to a housing crisis. The program's objective is to achieve housing stability through a short-term, focused intervention. The SSVF employs a housing-first model, which focuses on helping individuals and families access and sustain permanent rental housing as quickly as possible and without precondition, while facilitating access to those services that will help the veteran's family keep their housing.

HUD-VASH Vouchers (VASH) – The HUD-VASH program combines Housing Choice Voucher rental assistance for homeless veterans with case management and clinical services provided by the US Department of Veterans Affairs. The department provides these services for participating veterans at Veterans Affairs medical centers and community-based outreach clinics.

Unaccompanied Youth – Several programs serve this target group, including 1736 Family Crisis Center, Hathaway-Sycamores: Independent Living Program, Divinity Prophet: Independent Living Program, and Richstone Family Center: Transitional Housing Program and Transitional Living.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Agencies involved with persons discharged from institutions and systems of care, including the Los Angeles County Department of Children and Family Services, Department of Health Services, Department of Mental Health, and Los Angeles County Sheriff's Department, all have requirements stipulated by state law or county regulations requiring effective discharge planning and a specific transition plan to ensure that individuals and families are not discharged into homelessness.

Discussion

The programs identified above, which address the needs of homeless persons and subpopulations of homeless, indicate that serving the homeless is a complex issue requiring a network of agencies, departments, and nonprofit community services agencies. It is fortunate that the City can utilize this network of agencies to provide housing and supportive services in addition to using limited CDBG funding.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

City staff, stakeholders and the community at-large identified and prioritized fair housing issues and contributing factors to fair housing. Barriers to affordable housing as well as other housing information can be found in the City's draft 2020-2025 AI. A summary of the high priority barriers to affordable housing include:

- High cost of housing
- Housing values are increasing faster than household incomes
- Low number of affordable homes vs. market rate or higher cost homes
- Low number of housing opportunities for larger families
- Low ability to become a homeowner
- Lack of household financial stability
- Lack of funds to subsidize economic development projects
- Undereducated residents
- Aging housing and infrastructure
- Homeless prevention services
- Current land use policies do not support the development of affordable housing

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The AI provided goals and action steps developed as a result of specific data captured and existing programs and policies. Agency consultation, community outreach activities data review and analysis process were needed to develop the plan's goals and associated action steps. (Refer to the AI, Table):

Goal 1: Increase affordable housing opportunities.
Goal 2: Increase home ownership.
Goal 3: Create public awareness of fair housing laws and affordable housing advocacy.
Goal 4: Increase training, education and employment opportunities.

Table 47 in the AI presents the Goals and Action Steps, if put in place could further fair housing and affordable housing. As part of the engagement process, ideas and recommended action steps were documented to help provide clearer direction for Council, City staff and partnering agencies.

In the 2020-2021 AAP, the projects and programs that reduce the barriers to affordable housing include:

- Acquisition for Affordable Housing, Housing Rehabilitation Grants/Loans
- Montebello Community Assistance Program (MCAP)
- Fair Housing (HRC):

To remove or ameliorate the barriers to affordable housing, the City has adopted the following goals in the 2016–2021 Housing Element:

- To minimize governmental constraints, market constraints, and environmental constraints that may impede the development of new housing;
- To ensure that fair and equal housing laws are enforced;
- To address future housing needs by expanding housing opportunities in the City;
- To increase the supply of affordable housing stock through new housing construction and the conservation of existing housing stock; and,
- To review the development standards for residential development as a means to improve site design, architectural quality, and the livability of multi-family housing for all segments of the community.

Discussion:

AP-85 Other Actions – 91.220(k)

Introduction:

One of the primary constraints to meeting the needs of low-income residents is a lack of funding to fully address all the needs. Economic challenges and cuts in grant funding have resulted in budgetary constraints not only with the City but with nonprofit service providers as well.

Actions planned to address obstacles to meeting underserved needs

The City of Montebello recognizes that special needs populations encounter challenges due to low income and the special conditions that they face. Special needs populations are more likely to become homeless as a result of these challenges. Special needs populations require housing and supportive services. The City considers supportive services and housing for special needs populations a high priority. Supportive services are also considered a high priority in the Continuum of Care. In 2020-2021, the City will fund a new public service that will aid with housing and supportive services.

Actions planned to foster and maintain affordable housing

The City's strategies relating to CDBG-funded affordable housing efforts include maintaining the affordable housing stock through the Housing Rehabilitation and Preservation Program; maintaining rental assistance programs such as the Section 8 Housing Voucher program; and providing assistance to households before they lose their housing. The City will utilize a combination of Federal and non-Federal funds to maintain existing affordable housing units and foster the creation of new affordable housing opportunities.

Actions planned to reduce lead-based paint hazards

The City's HOME-funded Housing Rehabilitation and Preservation Program follows the requirements of Lead Safe Housing Regulation 24 CFR Part 35 effective September 15, 2000, and the subsequent September 2000 HUD transition assistance policy. The City will use, when required, state of California-certified lead- based paint inspectors/risk assessors to test for lead paint and perform risk assessments on houses testing positive, and certified lead-based paint contractors to remove and/or abate lead paint.

Actions planned to reduce the number of poverty-level families

The City of Montebello continues to look for ways to expand economic activities to include all people and provide programs to those people who are less fortunate. The City has focused on the creation of jobs for low- and moderate-income persons through capital improvement projects, Section 108 loan funds. Programs related to housing improvement, homeless shelters, supporting the County's rental assistance program, and funding affordable housing creation have resulted in housing the homeless and improving the living conditions of the elderly and low-income families.

Many factors can contribute to persons living at or below the poverty level. Lack of higher education opportunities, lack of marketable skills, unemployment or underemployment, lack of affordable childcare, lack of effective transportation, and lack of affordable housing all contribute to homelessness or persons living in poverty. These factors must be addressed to reduce the number of persons living in poverty.

While the City has no control over most of these factors, the City regularly provides referrals to those living below the poverty line. The City also provides a listing of public services agencies and homeless resources, and links to social service agencies. In addition, the City supports other government agencies, private developers, and nonprofit agencies that are involved in creating affordable housing and economic opportunities for low- and moderate-income residents.

Actions planned to develop institutional structure

CDBG funds received by the City are administered by the Finance Department. The City relies on a number of governmental departments and agencies, for-profit developers, and private, nonprofit organizations to carry out homelessness programs, affordable housing projects, seniors, at-risk youth, and other community development programs.

- The City's Planning and Community Development Department's functions directly impact and facilitate the development of housing.
- The Public Works Department is responsible for the design, construction, maintenance, and operation of public facilities as well as for administering infrastructure projects.
- LACDA administers the HUD Section 8 Housing Choice Voucher Program and public housing, which benefits the city's low-income population with publicly assisted rental housing.
- The City will provide emergency motel vouchers and services to the homeless population and to low- and moderate-income households.
- Housing developers are an important partner and essential for the development of market-rate and affordable housing. Private developers are unable to build affordable units without government or other subsidies because of the high cost of land in the city.

Gaps or weaknesses in the institutional structure may exist including: the loss of a redevelopment program is a significant challenge to fund future affordable housing projects. The primary funding source for affordable housing and its administrative costs is HOME. Also, CDBG funding reductions over the years has reduced funding that went to other community development programs. Essentially, these cutbacks resulted in staff and budgets reductions.

Actions planned to enhance coordination between public and private housing and social service agencies

The City's Planning and Community Development Department maintains primary management and coordination of the various organizations involved in these processes. The staff within the Department works closely with other City departments and the community to develop programs and activities that improve low-and-moderate-income neighborhoods throughout Montebello. The administration of the program activities includes housing, public facility and infrastructure improvements, public and social service activities, and economic development activities. The City collaborates with public agencies, for-profit agencies, and non-profit organizations in order to provide the aforementioned programming and services.

Discussion:

PROGRAM SPECIFIC REQUIREMENTS

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction:

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	$493,785
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	$0
3. The amount of surplus funds from urban renewal settlements	$0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	$420,431
5. The amount of income from float-funded activities	$0
Total Program Income	$914,216

Other CDBG Requirements

1. The amount of urgent need activities	$0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)

1. **A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:**

The City does not receive any atypical loans, grant instruments, nonconforming loan guarantees, or other forms of investments.

2. **A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

The City has general recapture and resale provisions in its HOME program guidelines which apply only to CHDOs. The City will impose HOME recapture provisions on any property sold by a CHDO to a homebuyer when the City provides a direct subsidy for down payment and or closing costs to the homebuyer.

3. **A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

In instances where the homebuyer's home is sold to a qualified low-income buyer at an affordable price, the HOME loan balance shall be transferred to the subsequent qualified buyer and the affordability period shall remain in force. The resale provision shall remain in force from that date the legal documents are executed at loan closing until the expiration of the affordability period.

4. **Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

The City has no current plans to use HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds.

Discussion

The City relies on its HOME Policies and Procedures Manuel to follow compliance requirements of the HOME program.

APPENDIX

Appendix A - Public Notifications

City of Montebello

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Notice Type: GPN GOVT PUBLIC NOTICE

Ad Description: 2020-2025 Consolidated Plan & 2020 Analysis of Impediments to Fair Housing Choice Community Meetings

To the right is a copy of the notice you sent to us for publication in the SAN GABRIEL VALLEY TRIBUNE. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

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PUBLIC NOTICE
CITY OF MONTEBELLO

2020-2025 Consolidated Plan & 2020 Analysis of Impediments to Fair Housing Choice Community Meetings

TO ALL INTERESTED PARTIES:
NOTICE IS HEREBY GIVEN that the City of Montebello is preparing the **2020-2025 Consolidated Plan and 2020 Analysis of Impediments** for U.S. Department of Housing and Urban Development (HUD) Grants. Residents and Stakeholders are invited to attend a community meeting to learn about the process and provide opinions about current housing, community, and economic development needs.

The City will be hosting two (2) community meetings, at Montebello City Hall Council Chambers, 1600 W. Beverly Boulevard, Montebello, CA 90640. The dates and times of the meetings will be Thursday, January 23, 2020 and Monday, January 27, 2020, from 6:00 – 7:00 p.m.

The Consolidated Plan and Analysis of Impediments are important in the City's plan for projects and use of funds. Residents' opinions help the City gather information that directly impact where funds will be distributed. The City of Montebello can identify issues and priorities in the areas of housing, parks and recreation, community facilities, social services, and fair housing, by attending a meeting and filling out the survey below.

Residents are invited to complete an online survey, gathering opinions and data, by visiting the following link: https://www.surveymonkey.com/r/CityOfMontebello

Residentes estan invitados a completar una enquesta electronica, para adquirir datos y opiniones, visite el siguiente sitio: https://www.surveymonkey.com/r/CityOfMontebello

For more information, please contact:
Contact: Ana Marie LeNoue, Consultant
Phone: (909) 979-6588
Email: alenoue@agl.com.co

ESPAÑOL:
Informacion en español puede ser obtenida llamando al (323) 887-1200 ext. 401.
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Notice Type: HRG NOTICE OF HEARING

Ad Description
NOTICE OF PUBLIC HEARING AUGUST 26 2020

To the right is a copy of the notice you sent to us for publication in the MONTEBELLO NEWS. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

08/13/2020

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Publication	$630.00
Total	$630.00

NOTICE OF PUBLIC HEARING
CITY OF MONTEBELLO CITY COUNCIL

NOTICE TO RECEIVE PUBLIC INPUT CONCERNING THE DRAFT FIVE-YEAR CONSOLIDATED PLAN, COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIP PROGRAM, ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE, ANNUAL ACTION PLAN, AND CITIZEN PARTICIPATION PLAN

NOTICE IS HEREBY GIVEN that the City Council of the City of Montebello ("City") will conduct a public hearing to receive input and provide direction concerning the draft Five-Year Consolidated Plan for the allocation of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) program funds, the draft Analysis of Impediments to Fair Housing Choice, the 2020-2021 Annual Action Plan, and the Citizen Participation Plan. As an entitlement jurisdiction, the City is required by the United States Department of Housing and Urban Development (HUD) to complete the Consolidated Plan and Analysis of Impediments to Fair Housing Choice every five years.

PUBLIC HEARING INFORMATION:

Date: Wednesday, August 26, 2020

Time: 6:30 p.m. or as soon thereafter as the matter may be heard

Place: City Hall Council Chambers, 1600 W. Beverly Blvd., Montebello, CA 90640

PROJECT DESCRIPTION: Each year, HUD provides funding for housing and community development programs to the City, specifically CDGB and HOME Program funds. In order to receive these funds, the City must complete a report every three to five years called the Consolidated Plan (ConPlan).

The purpose of the ConPlan is to identify Montebello's housing and community development needs, priorities, goals, and strategies and to stipulate how funds will be allocated to housing and community development activities over the next five years. The CDBG Program provides federal funds for local improvement projects and programs. Activities assisted with CDBG funds must meet one of the three national objectives: (1) principally benefit low and moderate-income persons, (2) aid in the prevention or elimination of slums and blight, or (3) meet other community development needs having particular urgency. The HOME Program provides formula grants - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

- **The Consolidated Plan** is a HUD required plan assessing affordable housing and community development needs for the next five-year 2020-2025 period. The ConPlan determines how HUD funds will be used.

- **The Analysis of Impediments to Fair Housing Choice** is a review of policies, procedures, and practices within the community that affect the location, availability and accessibility of housing and current residential

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patterns and conditions related to fair housing choice.

 The Annual Action Plan is submitted to HUD on an annual basis and identifies how the City plans to use the federal money during the next fiscal year to meet the goals and objectives approved by the City Council in the Five-Year ConPlan.

 The Citizen Participation Plan sets forth the City of Montebello's policies and procedures for citizen participation in the development of the ConPlan documents and any subsequent amendments.
For Fiscal Year (FY) 2020-2021, the City expects to receive approximately $865,346 in CDBG funds and approximately $258,317 in HOME funds. Additionally, $493,785 in CDBG Program Income and $143,853 in HOME Program Income is available, as well as $420,431 of unused CDBG funds that will be carried over from previous years.

Total funding available for FY 2020-2021:

CDBG Funds: $1,579,562

HOME Funds: $402,170

The City also received special HUD funding in response to the COVID 19 pandemic (CDBG-CV) in the amount of $391,402.

GENERAL INFORMATION: As authorized by the Governor's Executive Order No. N- 29-20, those interested in making public comments, may call on Wednesday, August 26, 2020 between 9:00 a.m. – 3:00 p.m. at (323) 887-1437. Staff will complete public comment cards in the order received. The public will be called during the City Council meeting. The exact call back time is not predictable due to the nature of the City Council agenda. As a result, you must be available until the end of the meeting to receive a live call from staff during the meeting. In addition, the City has created the following email address where the public can submit public comments from 4:30 p.m. – 5:30 p.m. on Wednesday, August 26, 2020: ccpubliccomment@cityofmontebello.com. These questions will be read out loud and submitted for the record. Written comments may also be mailed or delivered to the City Clerk's office address identified below. If you challenge the matter in court, you may be limited to raising those issues you or someone else raised at the public hearing, or in written correspondence delivered to the City of Montebello at, or prior to, the public hearing. This notice is provided in accordance with Government Code Sections 65867, 65090 and 65091. Public comments or questions about the subject matter may be submitted to the City Clerk's Office by mail, at 1600 W. Beverly Blvd., City of Montebello, or email at: lguzman@cityofmontebello.com. All communications to the City Clerk or the City Council regarding this matter are public records and will become part of the City's files and records.

Published: August 13, 2020

8/13/20
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MONTEBELLO NEWS

Appendix B - Community Engagement

City of Montebello

Los Angeles County, California

Community Engagement Summary

City of Montebello 2020-2025 Consolidated Plan
City of Montebello Analysis of Impediments

DRAFT March 2020

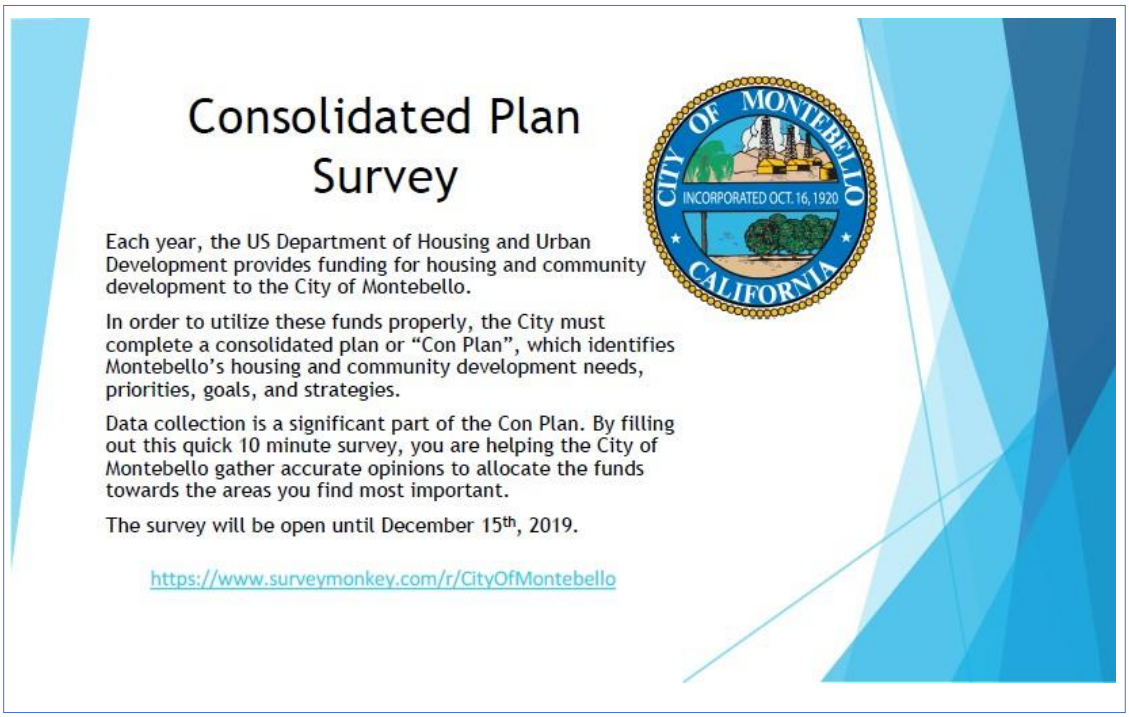
The City of Montebello, in preparation of the 2025-2025 Consolidated Plan (ConPlan) and Analysis of Impediments (AI), a variety of community engagement methods to solicit input on community and resident services, housing issues and future use of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and HOME funds. The following engagement methods:

- Community Needs Survey
- Stakeholder Interviews
- Social Service Consultation

Community Needs Survey:

An online Community Needs Survey was available for resident and social services response. The link to the survey was printed on flyers and postcards and posted on City social media and website requesting community response. English and Spanish language postcards, roughly 3,500, were distributed to five (5) elementary schools and two (2) parochial schools in the City. The postcard invited residents to complete the online survey and participate in the outreach process for the development of the ConPlan. Final results of the survey are located in Appendix A. Schools participating in the distribution included:

- Fremont Elementary - 200 Madison Ave, Montebello, CA 90640 (601 students)
- Greenwood Elementary - 900 S Greenwood Avenue, Montebello, CA 90640 (379 students)
- La Merced Elementary - 724 N Poplar Avenue, Montebello, CA 90640 (806 students)
- Washington Elementary - 1400 W Madison Avenue, Montebello, CA 90640 (487 Students)
- Wilcox Elementary - 816 Donna Way, Montebello, CA 90640 (627 students)
- St. Benedict School, 217 N. 10th Street, Montebello, CA 90640
- Our Lady of Miraculous Medal School – 840 N. Garfield Ave., Montebello, CA 90640



Highlights of the Community Needs Survey include: (in priority order)

Housing Discrimination:

- 75% have never encountered any form of housing discrimination?
- 50% feel housing discrimination likely occurs in the City and if discrimination occurs over 50% feel it's because of their source of income or race/ethnicity or they have a disability.
- Over 60% have not had an issue with home loan approval and 28% stated the reason was because of poor credit.
- 47% feel local land use laws do not support the development of affordable housing.

Greatest Housing Needs: 1. Home ownership down payment assistance 2. Energy efficient home improvements 3. Owner-occupied housing rehabilitation	**Greatest programs and services needs**: 1. Recreational programs 2. Programs for at-risk youth 3. Childcare services and facilities 4. Disaster and emergency preparedness services
Most needed community facilities: 1. Parks and recreation facilities 2. Youth centers 3. Neighborhood community center	**Most pressing challenge with maintaining your home:** 1. Cost of maintenance 2. Lack of skills needed to maintain a home
Critical homeless needs: 1. Homeless prevention services 2. Emergency shelter space 3. Transitional housing	**What size housing units are most needed:** 1. 3-bedroom units 52% 2. 2-bedroom units 37% **3.** 4-bedroom units 21**%**
What type of housing is most needed: 1. Single-family 84% 2. Low-barrier housing 31% 3. Town homes 26% 4. Mixed use (Residential with commercial uses) 26%	**Greatest neighborhood improvement needs:** 1. Street improvements 2. Sewer/storm sewer improvements 3. Job generating businesses 4. Sidewalk and curbing improvements
The reasons why residents may not be able to live in a preferred neighborhood are: 1. Cannot afford the rent or mortgage in their preferred neighborhood 42% 2. Poor credit history 32% 3. Do not have enough money for a security deposit 16% 4. Can't find a home for a larger family 16%	

Community Meetings

Two (2) Community meetings were held at City Hall Council Chambers. The meeting notice was published in the San Gabriel Valley Tribune on January 9, 2020 describing the two community meetings to be held on Thursday, January 23 and Monday, January 27, 2020, at 6 p.m. There was low attendance noting only four residents were in attendance. The meeting agenda included a description of the ConPlan as well as the engagement process. English and Spanish language flyers were posted at public counters along with the link to the survey.

Consolidated Plan Survey

Each year, the US Department of Housing and Urban Development provides funding for housing and community development to the City of Montebello.

In order to utilize these funds properly, the City must complete a 5-year Consolidated Plan or "Con Plan", which identifies Montebello's housing and community development needs, priorities, goals, and strategies. The City is also preparing an Analysis of Impediments to Fair Housing Choice, or "AI".

Data collection is a significant part of the Con Plan and AI. By filling out this quick 10-minute survey, you are helping the City of Montebello gather accurate opinions to allocate the funds towards the areas you find most important.

https://www.surveymonkey.com/r/CityOfMontebello

The City will be hosting two (2) community meetings to discuss the process. These meetings will be held at:

Montebello City Hall Council Chambers
1600 W. Beverly Blvd., Montebello, CA 90640

The dates and times of the meetings will be:
Thursday, January 23rd, 2020 and
Monday, January 27th, 2020,
from **6:00 - 7:00 p.m.**

Have questions?
Please call:

(323) 887-4501 ext. 401

City of Montebello

City of Montebello

Encuesta sobre el Plan Consolidado

Cada año, el Departamento Nacional de Vivienda y Desarrollo Urbano provee fondos a la Ciudad de Montebello para el desarrollo de vivienda y de la comunidad.

De manera que la ciudad pueda utilizar estos fondos efectivamente, la ciudad tiene que completar un Plan Consolidado o "Con Plan" de 5 años, el cual identifica las necesidades de vivienda, desarrollo comunitario, prioridades, metas y estrategias de la Ciudad de Montebello. La ciudad también está preparando un Análisis de Impedimentos a Elección de Vivienda Justa, ó "AI".

El colectar este tipo de información es sumamente importante para el Plan Consolidado y AI. Usted puede ayudar a la Ciudad de Montebello a colectar opiniones precisas; llenando una encuesta que le tomara solamente 10 minutos en la cual usted puede identificar áreas de más importancia para usted.

https://www.surveymonkey.com/r/CityOfMontebello

La ciudad organizará dos reuniones comunitarias para hablar del proceso, en:

Montebello City Hall Council Chambers,
1600 W. Beverly Blvd., Montebello, CA 90640

Las fechas y hora de las reuniones serán el **jueves 23 de enero de 2020** y el **lunes 27 de enero de 2020** de **6:00 a 7:00 p.m.**

¿Preguntas?
Por favor llame:

(323) 887-4501 ext. 401

Agency Consultation

The Community Engagement Program included stakeholder interviews. Significant coordination was made to public, faith-based organizations, educational institutions, housing services, and health and social service organizations including organizations providing services to: homeless persons and families, persons with HIV/AIDS, victims of domestic violence, senior citizens, and extremely low to low income populations. In January questionnaires and phone/or in-person interviews occurred with the following agencies, City staff and elected officials:

Los Angeles Homeless Services Authority: LAHSA is the lead agency in the Los Angeles Continuum of Care, which is the regional planning body that coordinates housing and services for homeless families and individuals in Los Angeles County. LAHSA was consulted on the Homeless Count. Specific concerns raised included:

- Accurate tracking and monitoring of unsheltered data persons including persons on the street, living in vans, RV/campers, and makeshift shelters.
- Accurate tracking and monitoring sheltered persons including those persons living in transitional housing.

Montebello Housing Development Corporation (MHDC): MHDC is a 501c (3) community-based non-profit corporation based in the City of Montebello serving the housing needs of Los Angeles County, The MHDC goal is to increase housing opportunities for the underserved. The MHDC is a HUD-certified agency, and its purpose is to develop a financing and housing stability plan for low to moderate-income families. Their specific concerns included:

- Dissemination of misinformation to the public, specifically pertaining to housing programs.
- Homeowners agreeing to loans they don't need or don't understand and, in some cases, can't afford.
- Lack of housing supply for the demand evident in the city. They would like to see more construction of new affordable housing and transitional housing units.

Housing Rights Center: The Housing Rights Center's mission is to actively support and promote fair Housing through education, advocacy, and litigation, to the end that all persons have the opportunity to secure the housing they desire and can afford, without discrimination based on their race, color, religion, gender, sexual orientation, gender identity, gender expression, national origin, familial status, marital status, disability, genetic information, ancestry, age, source of income or other characteristics protected by law. Their concerns include:

- The City's continued support of Housing Right Center services to ensure affirmatively furthering fair housing among CDBG recipients.
- Availability of fair housing services to meet the National Objective to benefit low and moderate-income persons, area-wide, throughout the entire city limits.

Heart of Compassion: Heart of Compassion (HOC) is a 501(c)(3) food bank and social service that works to alleviate hunger, food insecurities, and the suffering of those who have fallen on hard times. Heart of Compassion's concerns include:

- Improving food insecurity for low and moderate income households.
- Assisting moderate income households with fresh fruits and vegetables and food sources. Many of the households are just getting by and need additional assistance to make ends meet.
- Availability and development of more low-income housing.

The Gateway Cities Council of Governments: The Gateway Cities Council of Governments is a joint powers authority made up of representatives from 28 cities, 3 Los Angeles County Supervisorial Districts, and the Port of Long Beach. The Gateway Cities serves as a regional voice for its member agencies and works to improve the quality of life for the more than 2 million residents living in the region. The Gateway Cities Council of Governments works on issues of importance to its member agencies, including transportation, homelessness, the environment, and water, and seeks to address these regionally. The Gateway Cities Council of Governments: The primary concerns of Gateway Cities include:

- Fostering job creation.
- Enhance focus on education, technical/soft skills training, career pathways for youth and retrain dislocated adult workers.
- Initiatives to reduce homelessness

Stakeholder Interviews

Stakeholder interview meetings were conducted at individual sites, by email or by direct phone contact with the following:

- Danilo Batson, Public Works Director
- Mayor Salvador Melendez
- Councilmember David Torres
- Heart of Compassion
- Housing Rights Center
- Councilmember Jack Hadjinian
- Los Angeles Homeless Services Authority
- Gateway Cities Council of Governments
- Mayor Pro Tem Kimberly Cobos-Cawthorne
- Joseph Palombi, Community Development Director
- Montebello Housing Development Corporation

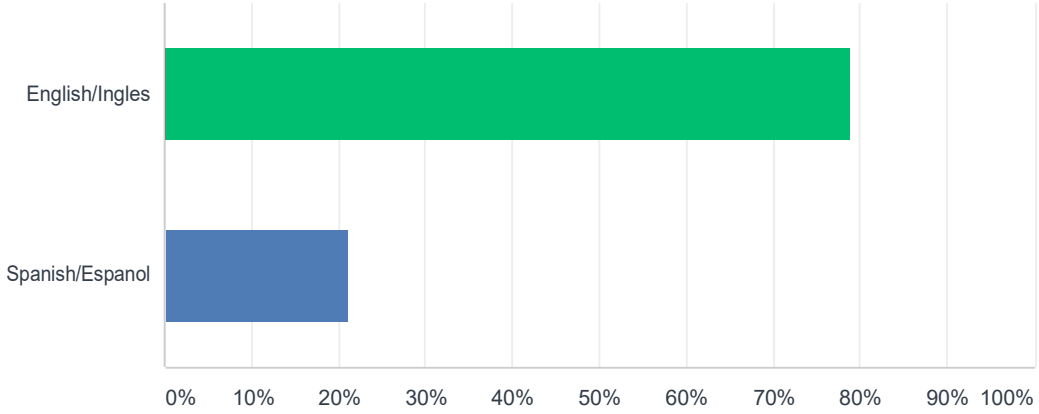
STAKEHOLDER OUTREACH MAJOR THEMES:	ISSUES AND NEEDS
HOMELESSNESS	- Proper accounting and identification of displaced residents - Scarcity of housing programs - Accurate tracking of unsheltered persons and those living in transitional housing. - Food and shelter insecurity
PRIORITY HOUSING NEEDS	- More affordable housing - Quality affordable single family units - Create a balance of affordable single family homes vs market rate or higher cost homes - Preservation of existing affordable housing
POTENTIAL SOLUTIONS TO HOUSING PROBLEMS	- Façade improvements in south Montebello - Incentivize developers - Need better programs - More Subsidized Housing programs - Require developers to include affordable units
TOP FAMILY ISSUES	- Dealing with the housing market - Access to information (what is happening in the City / education) - Assisting low and moderate income households with fresh food - Low-moderate income families face environmental hazards such as freeway, parking lots, and abandoned buildings. - Low-moderate persons are more vulnerable to low healthcare management - Economic development and revitalization

COMMUNITY NEEDS SURVEY RESULTS SUMMARY

PRIORITY FAMILY SERVICES	- Services that educate on household finance - Job skills and training classes - Proper dissemination of housing information; the public should know the pros and cons of programs. - Technical/soft skills training, career pathways for youth and retrain dislocated adult workers - One-stop-shop and education for navigating /accessing resources in the City
HOUSING AND SERVICE POLICIES	- Create revenue streams so programs can be implemented - Enhance focus on education
ECONOMIC DEVELOPMENT	- Beautification of corridors - Bring vibrant retail to south Montebello - Lack of funds to subsidize projects
NATURAL HAZARD VULNERABILITIES	- Earthquake damage to homes that have not been retrofitted or updated - Whittier Narrows Dam could fail and cause flooding - Older housing stock could be most vulnerable to earthquake damage
BROAD BAND ACCESS	- Need to improve infrastructure to eliminate "dead zones" - Cost is prohibitive - Low and moderate income families are most vulnerable to lack of access to information / education - Access will enable disabled and special needs populations to stay connected socially - Access increases employment opportunities - Improve wireless connectivity on buses and at public facilities (senior center)
PUBLIC WORKS	- Resurface roads from Whittier Boulevard south of 2nd to 4th street - Revitalization would benefit low income housing projects two blocks north and south of Whittier Blvd including sewer upgrades, electrical, water infrastructure, and hydrant pressure. - The dense housing in the Findlay area would benefit from improved green space - Hydrant pressure needs to be improved from Washington/Greenwood to Sycamore/Bluff - Park improvements needed at City Park also senior center needs to be updated. - Grant Rea Park ball diamonds at max capacity - Major improvements are needed to the City's water system
FUTURE CDBG SPENDING	- Continue social services - Infrastructure improvements, water system - Economic Development - Infrastructure improvements to streets, accessible sidewalks and public facilities - Study of broadband needs throughout the City to determine if this is a priority - Broadband access at public facilities

Q1 Would you like to complete the survey in English or Spanish? ¿Prefieres completar la encuesta en Ingles o en Español?

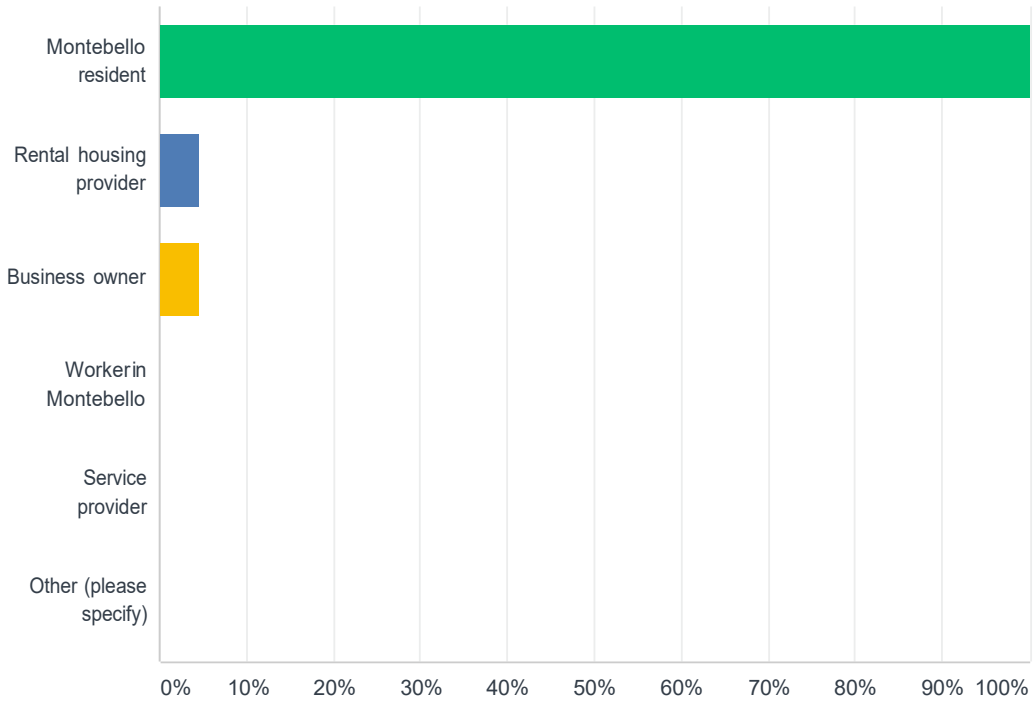
Answered: 33 Skipped: 1



ANSWER CHOICES	RESPONSES	
English/Ingles	78.79%	26
Spanish/Espanol	21.21%	7
TOTAL		33

Q2 1. Are you a

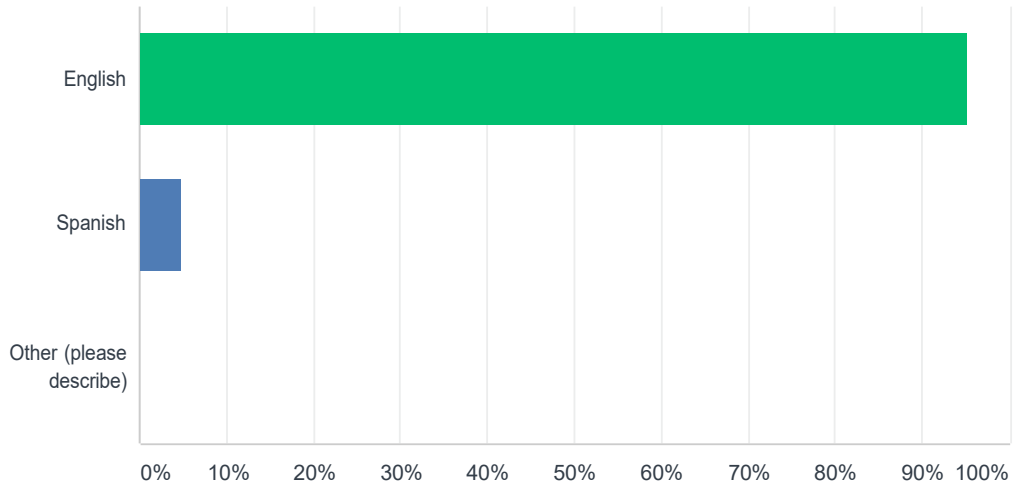
Answered: 22 Skipped: 12



ANSWER CHOICES	RESPONSES	
Montebello resident	100.00%	22
Rental housing provider	4.55%	1
Business owner	4.55%	1
Worker in Montebello	0.00%	0
Service provider	0.00%	0
Other (please specify)	0.00%	0
Total Respondents: 22		

Q3 2. What is the primary language you speak at home?

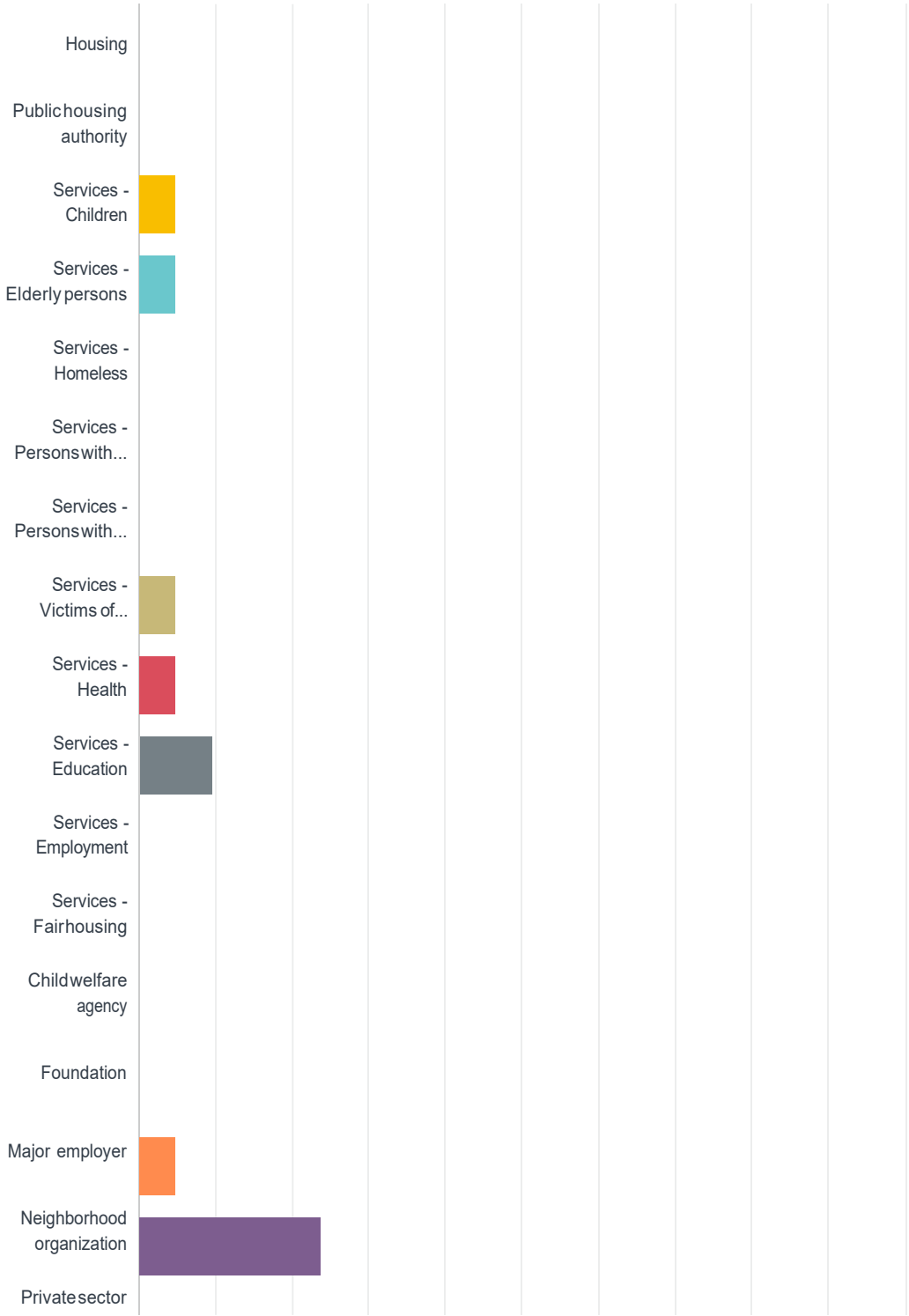
Answered: 21 Skipped: 13

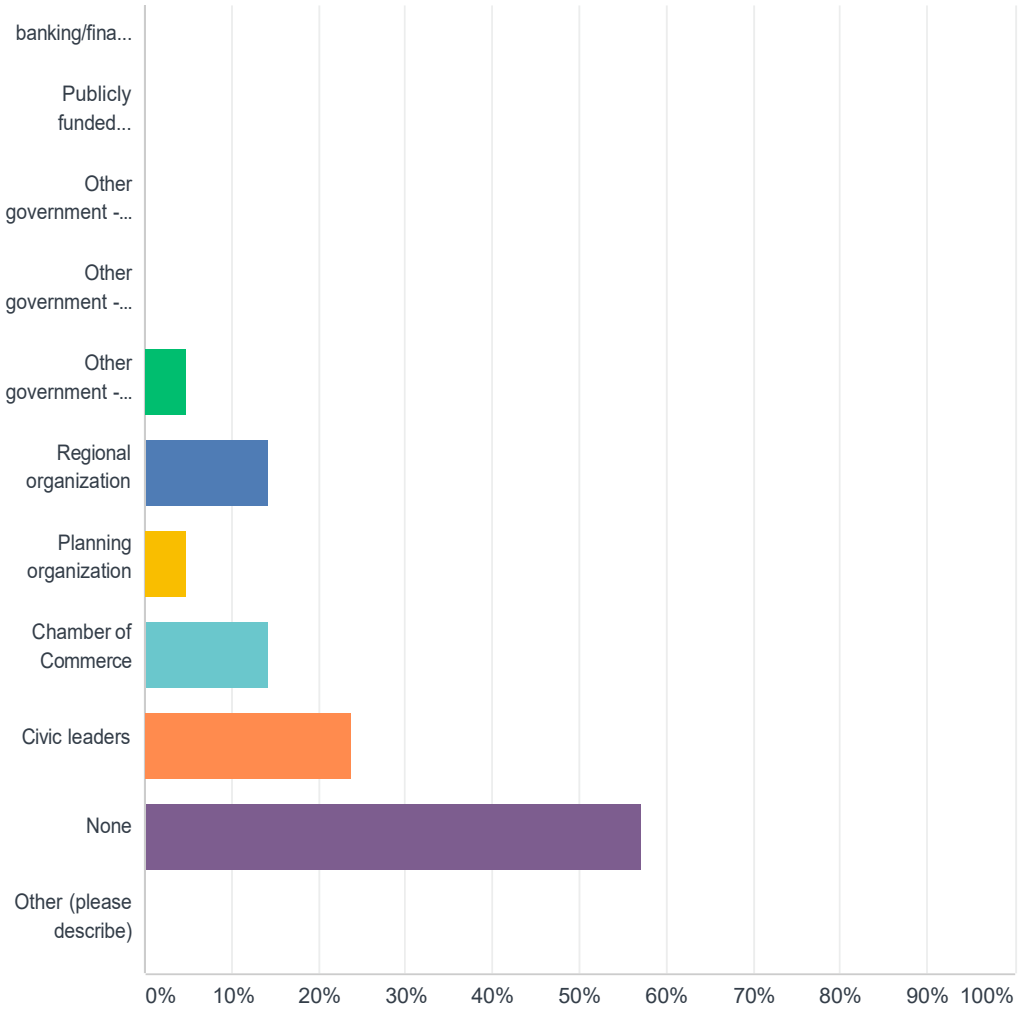


ANSWER CHOICES	RESPONSES	
English	95.24%	20
Spanish	4.76%	1
Other (please describe)	0.00%	0
TOTAL		21

Q4 3. Please indicate if you are affiliated with any of the organization types listed below. If other, please specify.*Organizations that may discharge persons into homelessness, such as health-care facilities, mental health facilities, foster care, and other youth facilities, and corrections programs and institutions

Answered: 21 Skipped: 13

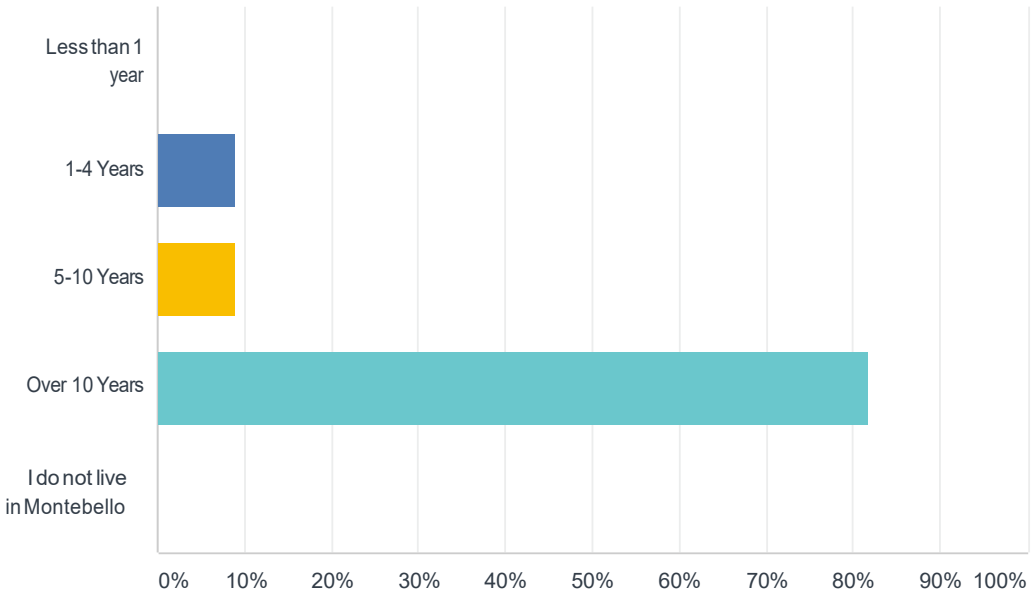



banking/fina...
Publicly funded...
Other government -...
Other government -...
Other government -...
Regional organization
Planning organization
Chamber of Commerce
Civic leaders
None
Other (please describe)
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

ANSWER CHOICES	RESPONSES	
Housing	0.00%	0
Public housing authority	0.00%	0
Services - Children	4.76%	1
Services - Elderly persons	4.76%	1
Services - Homeless	0.00%	0
Services - Persons with disabilities	0.00%	0
Services - Persons with HIV/AIDS	0.00%	0
Services - Victims of domestic violence	4.76%	1
Services - Health	4.76%	1
Services - Education	9.52%	2
Services - Employment	0.00%	0
Services - Fair housing	0.00%	0
Child welfare agency	0.00%	0
Foundation	0.00%	0
Major employer	4.76%	1
Neighborhood organization	23.81%	5
Private sector banking/financing	0.00%	0
Publicly funded institution/system of care*	0.00%	0
Other government - Federal	0.00%	0
Other government - State	0.00%	0
Other government - Local	4.76%	1
Regional organization	14.29%	3
Planning organization	4.76%	1
Chamber of Commerce	14.29%	3
Civic leaders	23.81%	5
None	57.14%	12
Other (please describe)	0.00%	0
Total Respondents: 21		

Q5 4. How long have you lived in the City of Montebello?

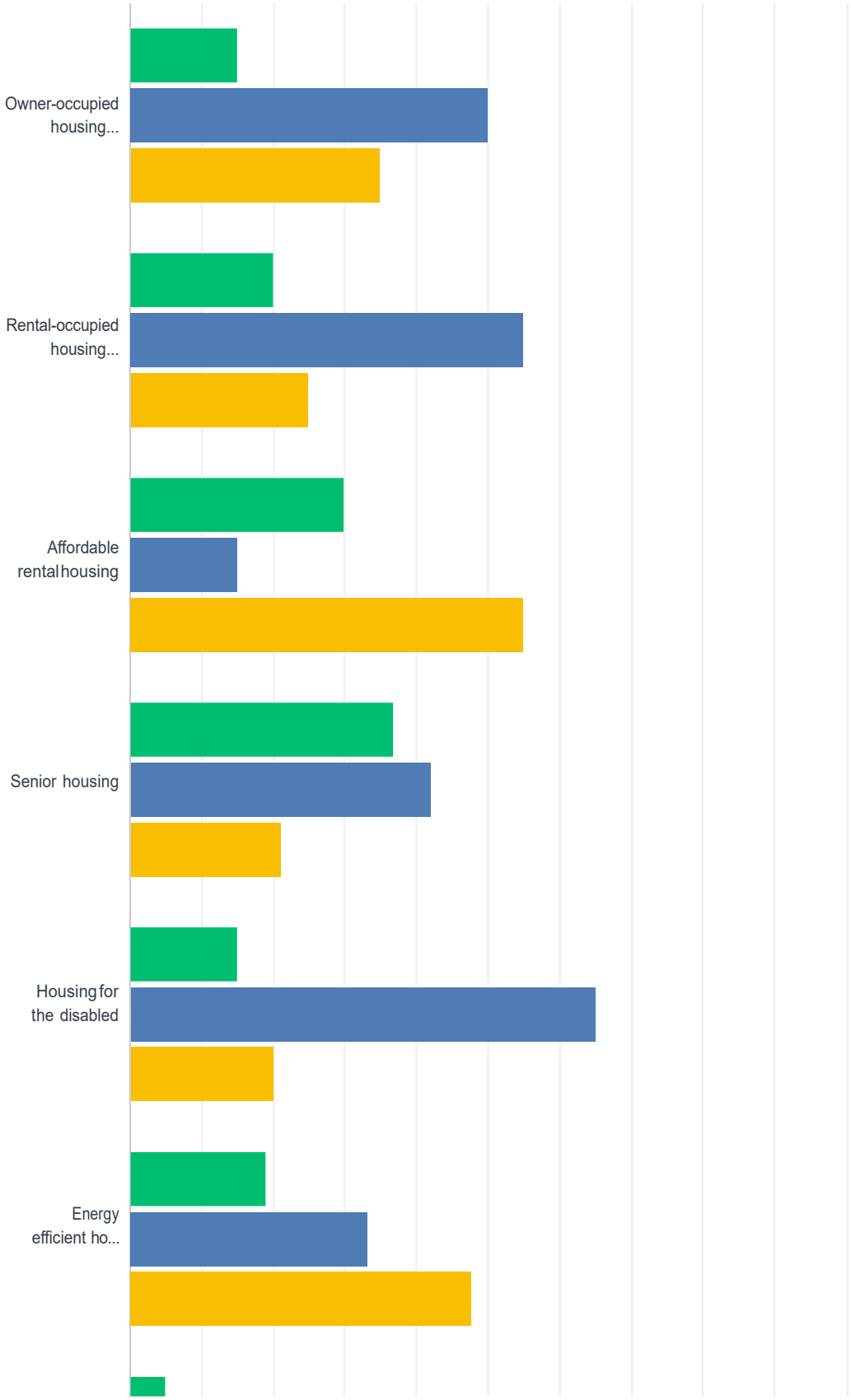
Answered: 22 Skipped: 12

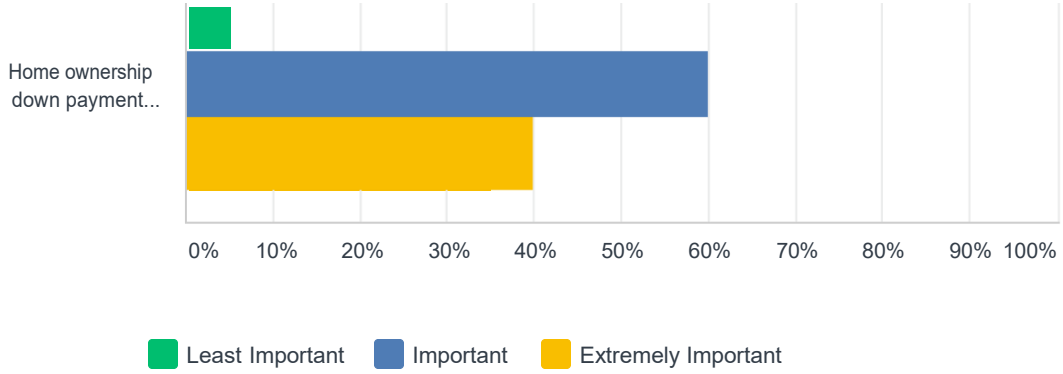


ANSWER CHOICES	RESPONSES	
Less than 1 year	0.00%	0
1-4 Years	9.09%	2
5-10 Years	9.09%	2
Over 10 Years	81.82%	18
I do not live in Montebello	0.00%	0
TOTAL		22

Q6 5. Housing Needs

Answered: 21 Skipped: 13

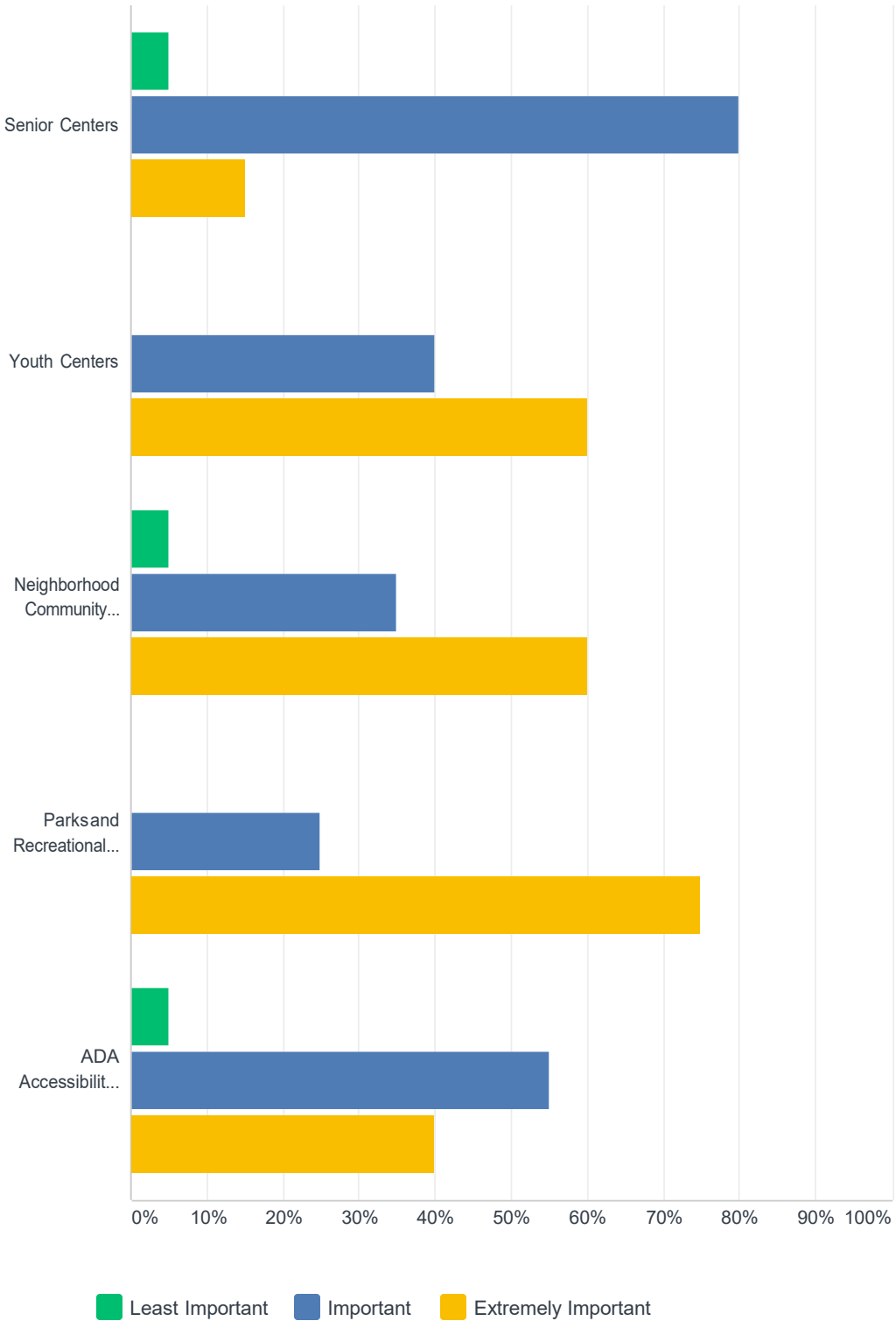




	LEAST IMPORTANT	IMPORTANT	EXTREMELY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Owner-occupied housing rehabilitation	15.00% 3	50.00% 10	35.00% 7	20	3.05
Rental-occupied housing rehabilitation	20.00% 4	55.00% 11	25.00% 5	20	2.85
Affordable rental housing	30.00% 6	15.00% 3	55.00% 11	20	2.95
Senior housing	36.84% 7	42.11% 8	21.05% 4	19	2.47
Housing for the disabled	15.00% 3	65.00% 13	20.00% 4	20	2.90
Energy efficient home improvements	19.05% 4	33.33% 7	47.62% 10	21	3.10
Home ownership down payment assistance	5.00% 1	60.00% 12	35.00% 7	20	3.25

Q7 6. Community Facility Needs

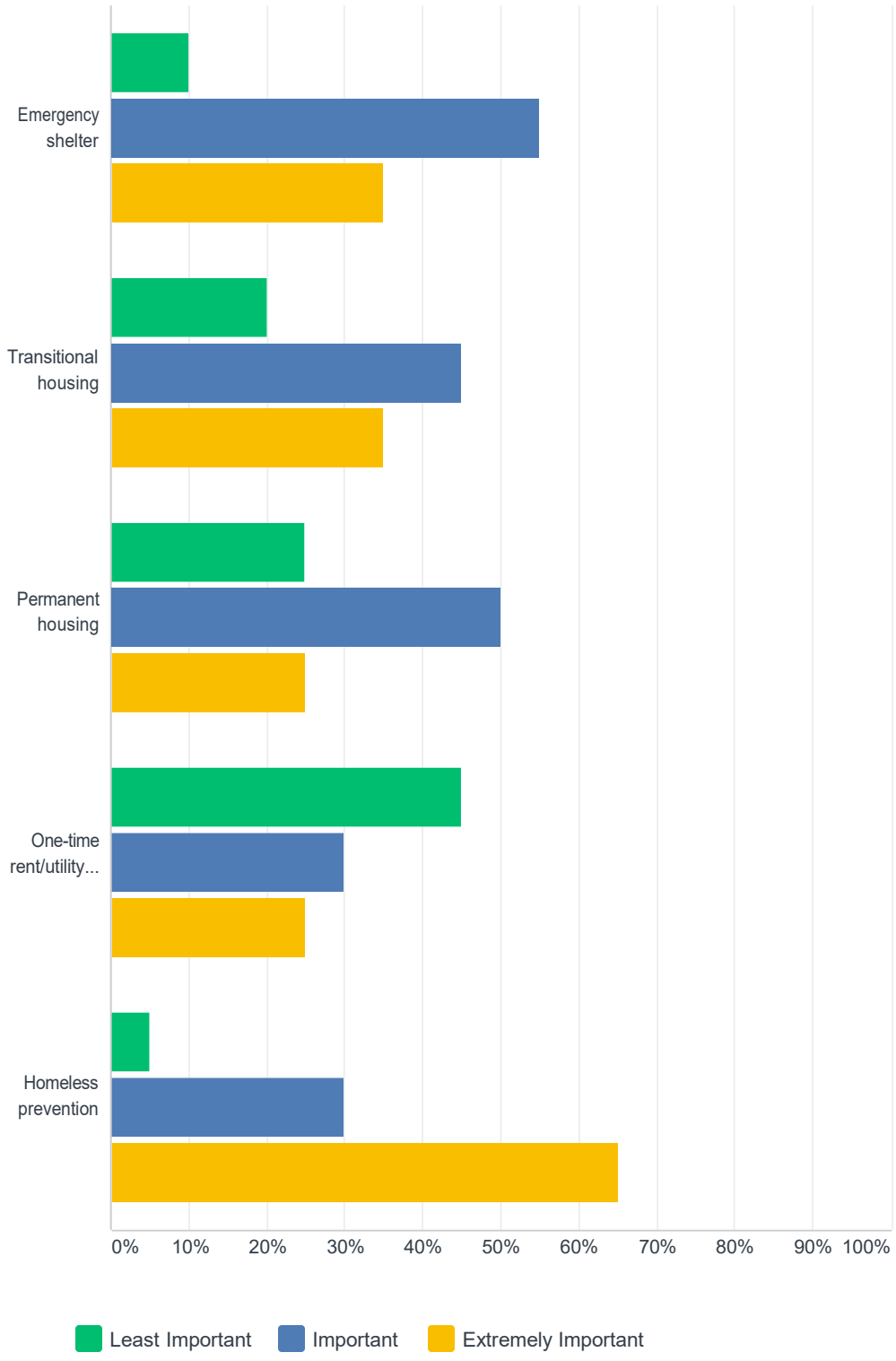
Answered: 20 Skipped: 14



	LEAST IMPORTANT	IMPORTANT	EXTREMELY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Senior Centers	5.00% 1	80.00% 16	15.00% 3	20	3.05
Youth Centers	0.00% 0	40.00% 8	60.00% 12	20	3.60
Neighborhood Community Center	5.00% 1	35.00% 7	60.00% 12	20	3.50
Parks and Recreational Facilities	0.00% 0	25.00% 5	75.00% 15	20	3.75
ADA Accessibility Improvements to public roads/facilities	5.00% 1	55.00% 11	40.00% 8	20	3.30

Q8 7. Homeless Housing Needs

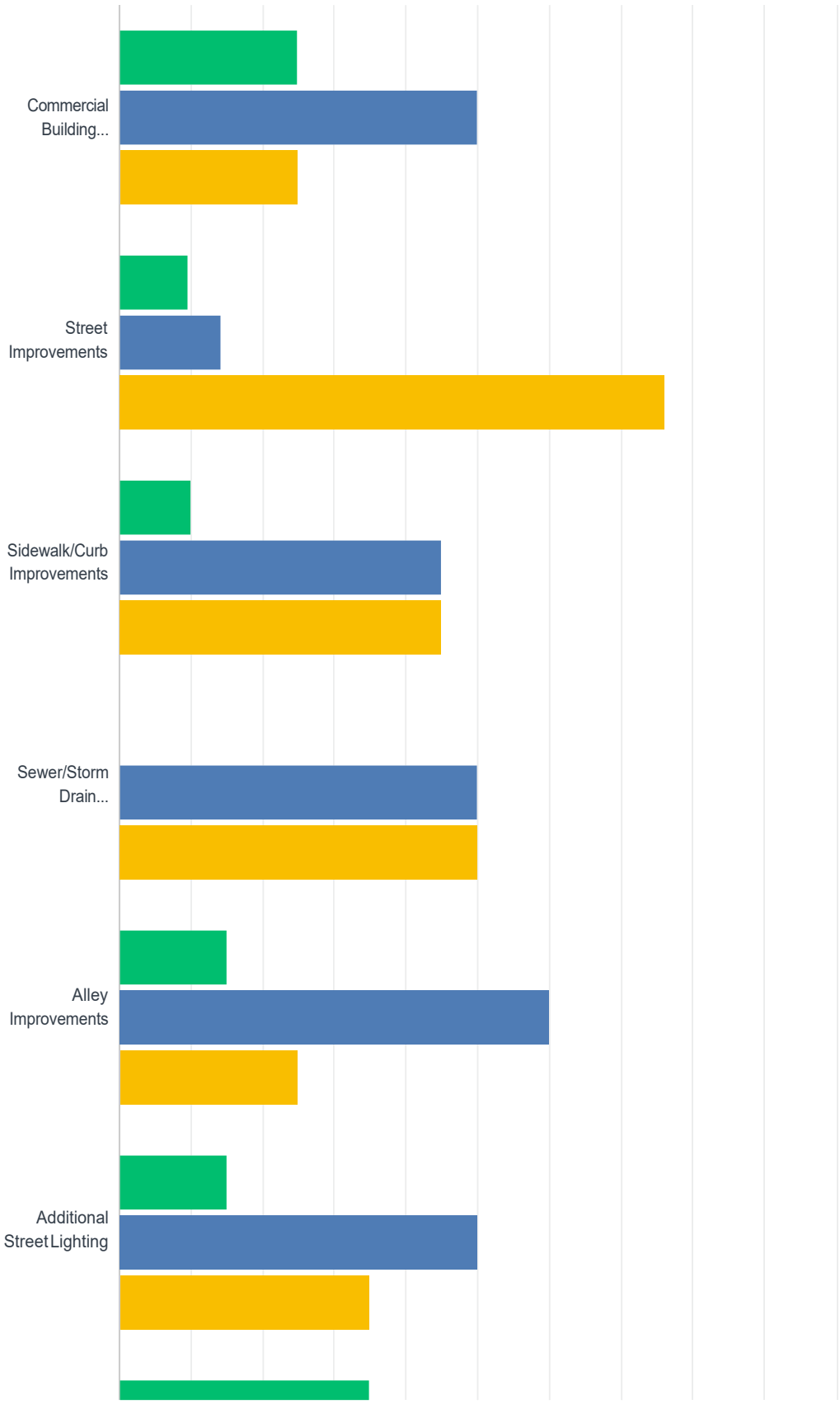
Answered: 20 Skipped: 14

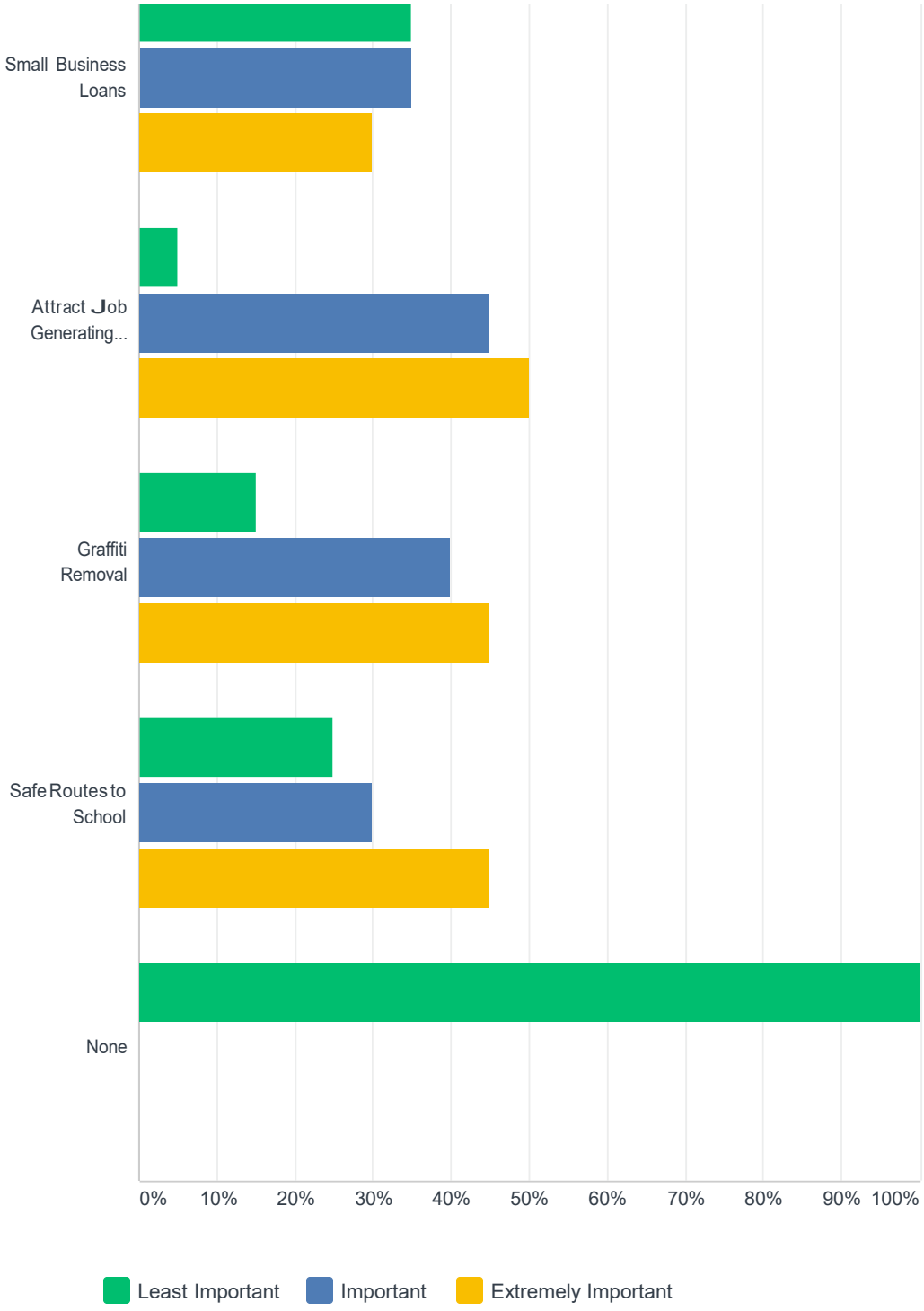


	LEAST IMPORTANT	IMPORTANT	EXTREMELY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Emergency shelter	10.00% 2	55.00% 11	35.00% 7	20	3.15
Transitional housing	20.00% 4	45.00% 9	35.00% 7	20	2.95
Permanent housing	25.00% 5	50.00% 10	25.00% 5	20	2.75
One-time rent/utility payments	45.00% 9	30.00% 6	25.00% 5	20	2.35
Homeless prevention	5.00% 1	30.00% 6	65.00% 13	20	3.55

Q9 8. Neighborhood Improvement Needs

Answered: 21 Skipped: 13

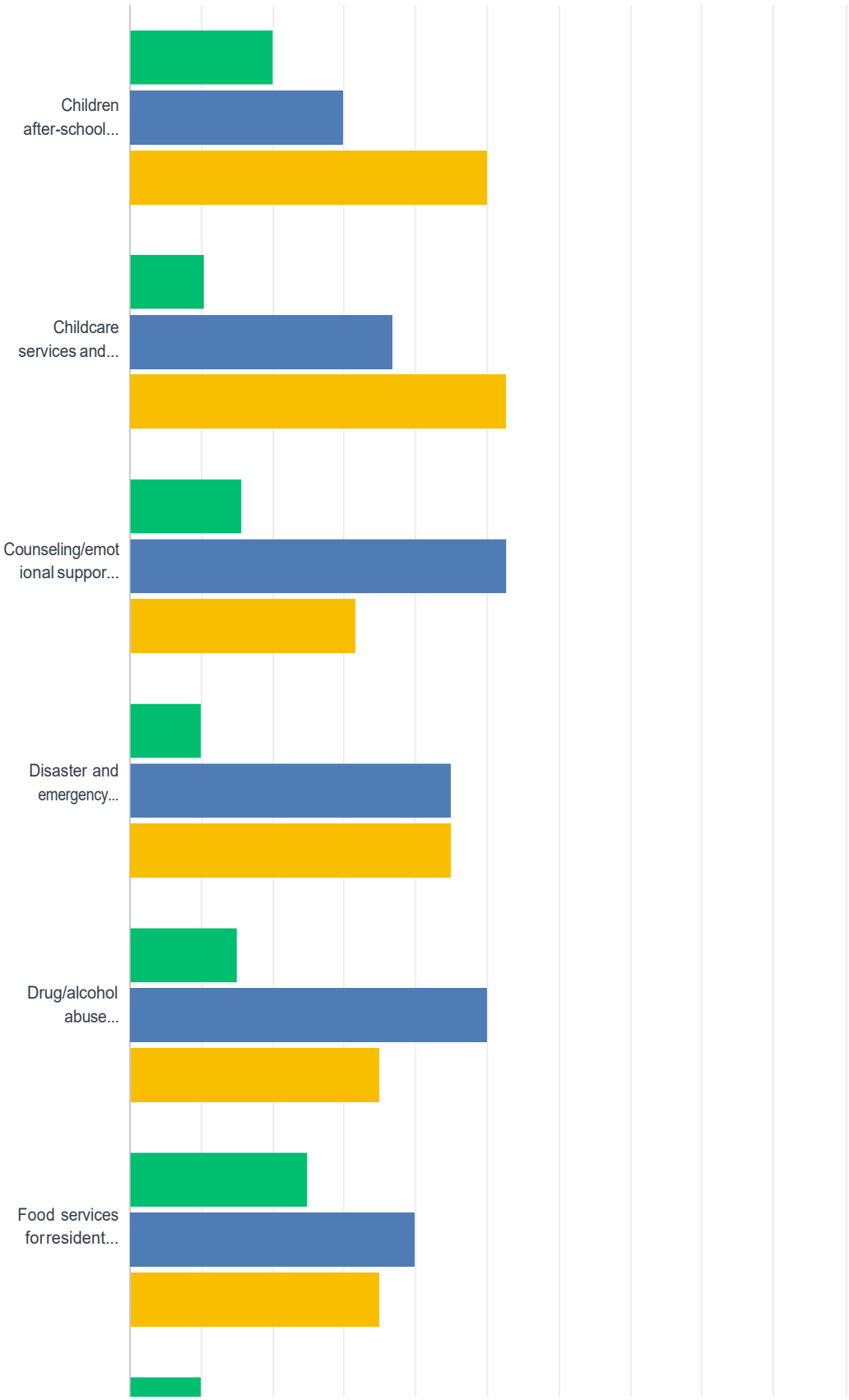


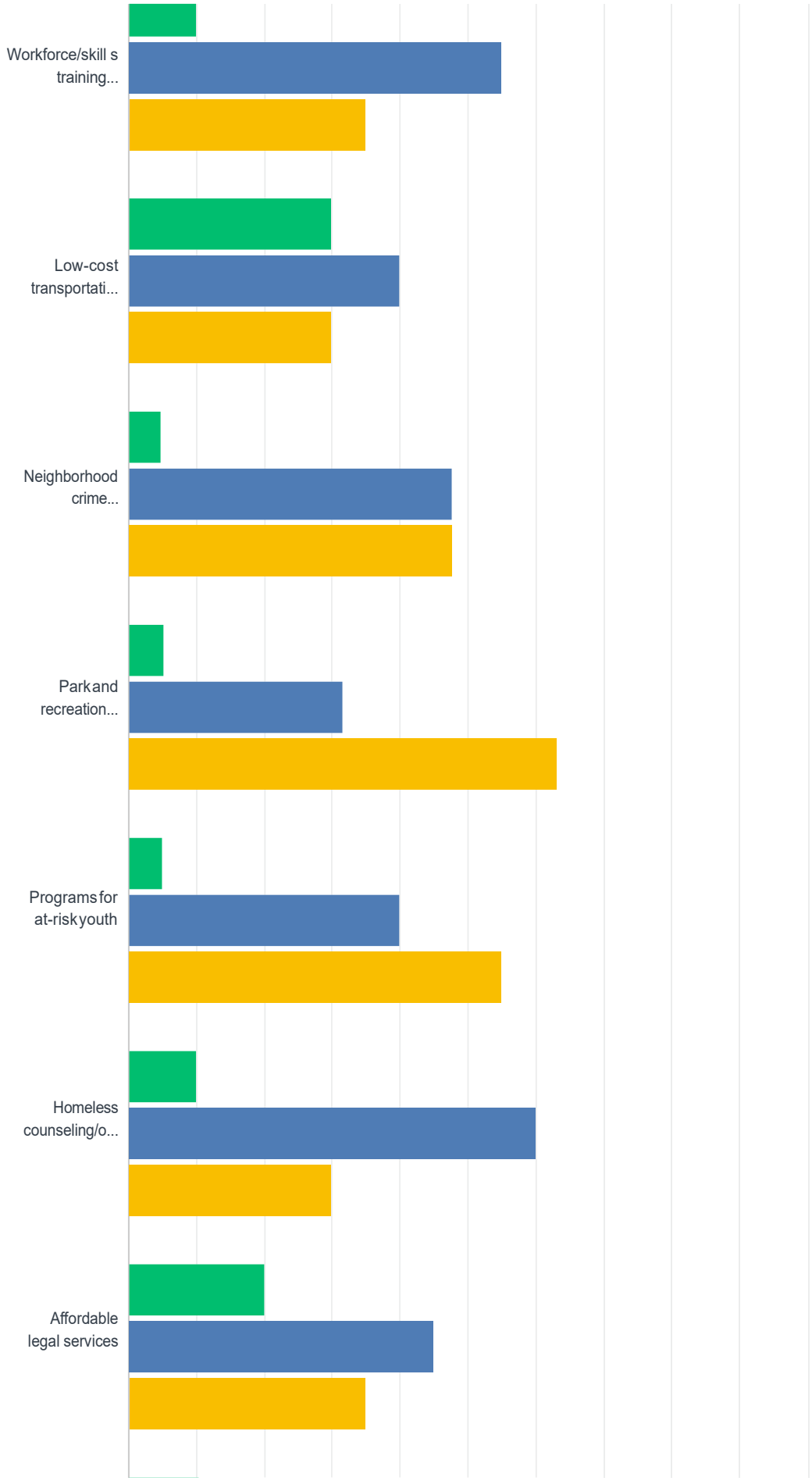

Small Business Loans
Attract Job Generating...
Graffiti Removal
Safe Routes to School
None
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Least Important
Important
Extremely Important

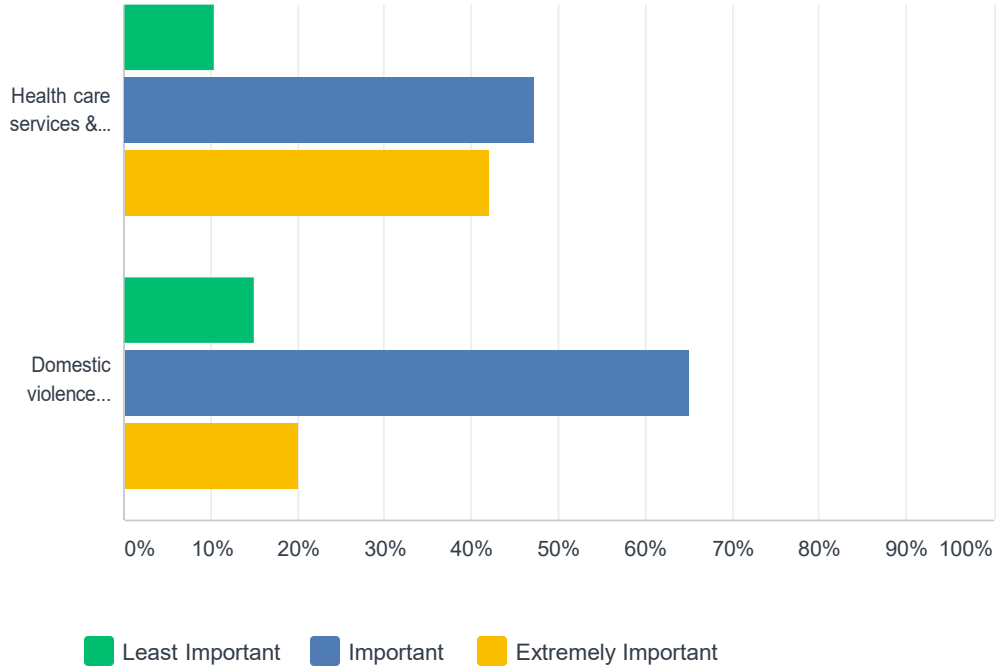
	LEAST IMPORTANT	IMPORTANT	EXTREMELY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Commercial Building Rehabilitation	25.00% 5	50.00% 10	25.00% 5	20	2.75
Street Improvements	9.52% 2	14.29% 3	76.19% 16	21	3.57
Sidewalk/Curb Improvements	10.00% 2	45.00% 9	45.00% 9	20	3.25
Sewer/Storm Drain Improvements	0.00% 0	50.00% 10	50.00% 10	20	3.50
Alley Improvements	15.00% 3	60.00% 12	25.00% 5	20	2.95
Additional Street Lighting	15.00% 3	50.00% 10	35.00% 7	20	3.05
Small Business Loans	35.00% 7	35.00% 7	30.00% 6	20	2.60
Attract Job Generating Businesses	5.00% 1	45.00% 9	50.00% 10	20	3.40
Graffiti Removal	15.00% 3	40.00% 8	45.00% 9	20	3.15
Safe Routes to School	25.00% 5	30.00% 6	45.00% 9	20	2.95
None	100.00% 5	0.00% 0	0.00% 0	5	1.00

Q10 9. Community Programs and Services Needs

Answered: 21 Skipped: 13



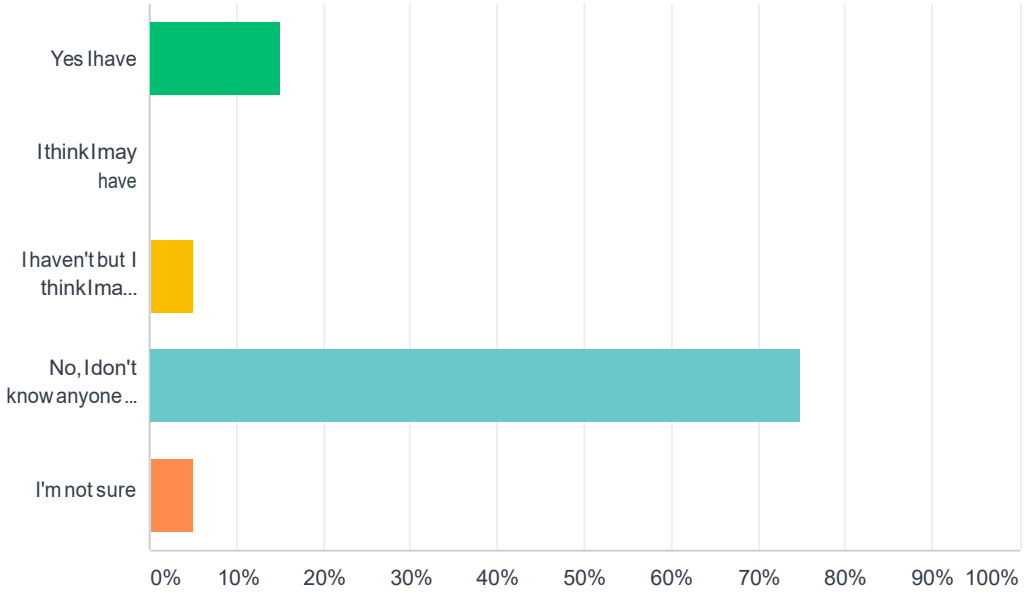

Workforce/skill s training...
Low-cost transportati...
Neighborhood crime...
Park and recreation...
Programs for at-risk youth
Homeless counseling/o...
Affordable legal services


Health care services &...
Domestic violence...
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Least Important
Important
Extremely Important

	LEAST IMPORTANT	IMPORTANT	EXTREMELY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Children after-school/summer camp programs & services	20.00% 4	30.00% 6	50.00% 10	20	2.30
Childcare services and facilities	10.53% 2	36.84% 7	52.63% 10	19	2.42
Counseling/emotional support services	15.79% 3	52.63% 10	31.58% 6	19	2.16
Disaster and emergency preparedness services	10.00% 2	45.00% 9	45.00% 9	20	2.35
Drug/alcohol abuse counseling/treatment	15.00% 3	50.00% 10	35.00% 7	20	2.20
Food services for residents with special needs	25.00% 5	40.00% 8	35.00% 7	20	2.10
Workforce/skills training and/or job placement	10.00% 2	55.00% 11	35.00% 7	20	2.25
Low-cost transportation services (taxi coupons and Dial-A-Ride)	30.00% 6	40.00% 8	30.00% 6	20	2.00
Neighborhood crime prevention programs	4.76% 1	47.62% 10	47.62% 10	21	2.43
Park and recreation programs	5.26% 1	31.58% 6	63.16% 12	19	2.58
Programs for at-risk youth	5.00% 1	40.00% 8	55.00% 11	20	2.50
Homeless counseling/outreach services	10.00% 2	60.00% 12	30.00% 6	20	2.20
Affordable legal services	20.00% 4	45.00% 9	35.00% 7	20	2.15
Health care services & facilities	10.53% 2	47.37% 9	42.11% 8	19	2.32
Domestic violence counseling	15.00% 3	65.00% 13	20.00% 4	20	2.05

Q11 10. Have you or someone you know ever encountered any of the forms of housing discrimination described above?

Answered: 20 Skipped: 14



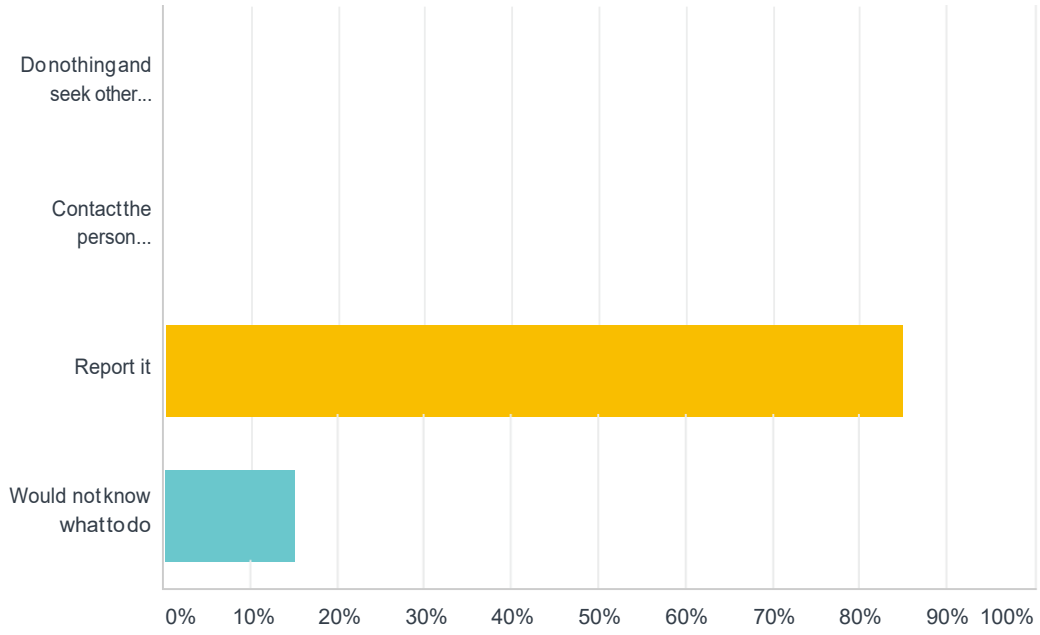
ANSWER CHOICES	RESPONSES	
Yes I have	15.00%	3
I think I may have	0.00%	0
I haven't but I think I may know someone who has	5.00%	1
No, I don't know anyone who has	75.00%	15
I'm not sure	5.00%	1
TOTAL		20

Q12 11. If you believe you or someone you know has encountered housing discrimination, please describe.

Answered: 7 Skipped: 27

Q13 12. What would you do if you encountered housing discrimination?

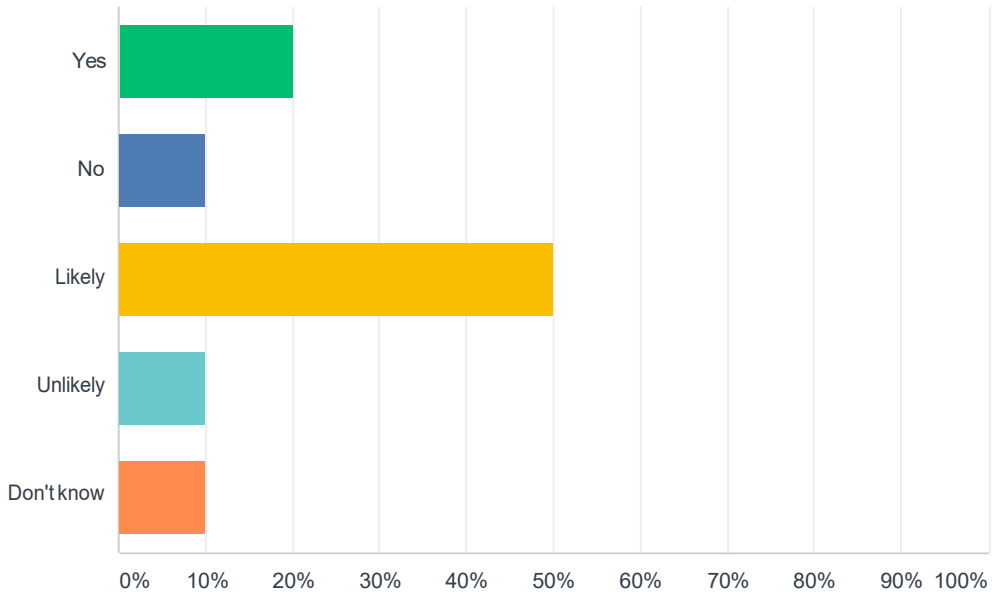
Answered: 20 Skipped: 14



ANSWER CHOICES	RESPONSES	
Do nothing and seek other housing options	0.00%	0
Contact the person responsible and let them know they are discriminating	0.00%	0
Report it	85.00%	17
Would not know what to do	15.00%	3
TOTAL		20

Q14 13. Do you believe housing discrimination occurs in Montebello?

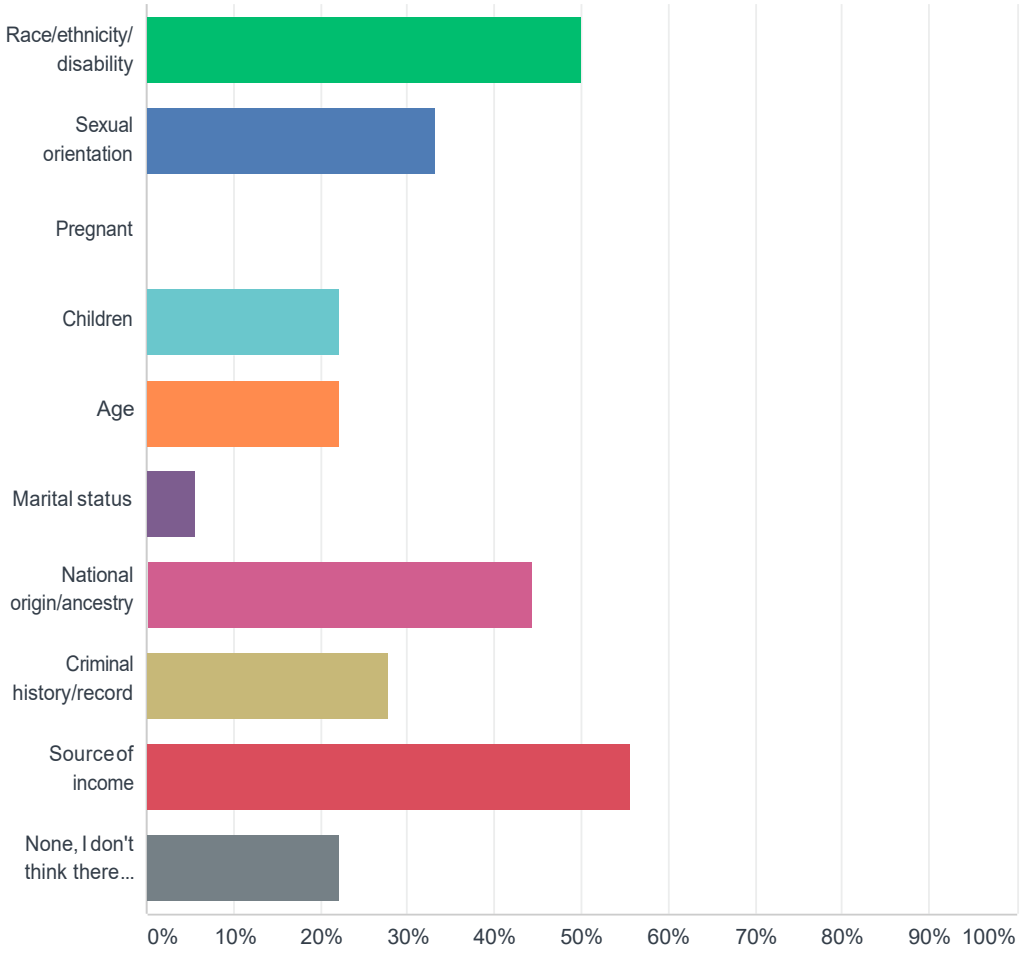
Answered: 20 Skipped: 14



ANSWER CHOICES	RESPONSES	
Yes	20.00%	4
No	10.00%	2
Likely	50.00%	10
Unlikely	10.00%	2
Don't know	10.00%	2
TOTAL		20

Q15 14. If you think housing discrimination is occurring, what types of discrimination do you think are most prevalent? (Please select all that apply)

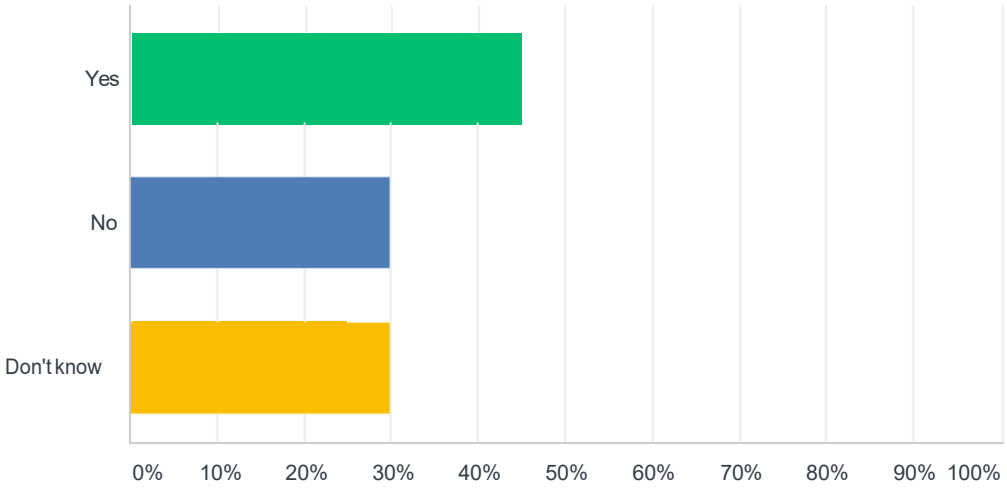
Answered: 18 Skipped: 16



ANSWER CHOICES	RESPONSES	
Race/ethnicity/disability	50.00%	9
Sexual orientation	33.33%	6
Pregnant	0.00%	0
Children	22.22%	4
Age	22.22%	4
Marital status	5.56%	1
National origin/ancestry	44.44%	8
Criminal history/record	27.78%	5
Source of income	55.56%	10
None, I don't think there is any housing discrimination	22.22%	4
Total Respondents: 18		

Q16 15. Are you aware of a tenant's right to request, from a landlord, a physical change to make a home more accessible if necessary due to a disability (called "reasonable accommodation"?

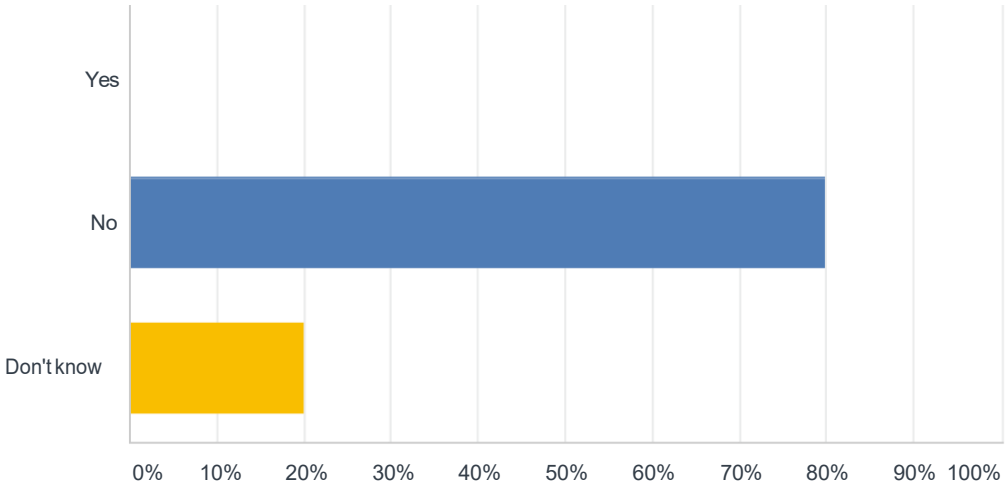
Answered: 20 Skipped: 14



ANSWER CHOICES	RESPONSES	
Yes	45.00%	9
No	30.00%	6
Don't know	25.00%	5
TOTAL		20

Q17 16. Have you, or someone you know, ever made a request for a reasonable accommodation?

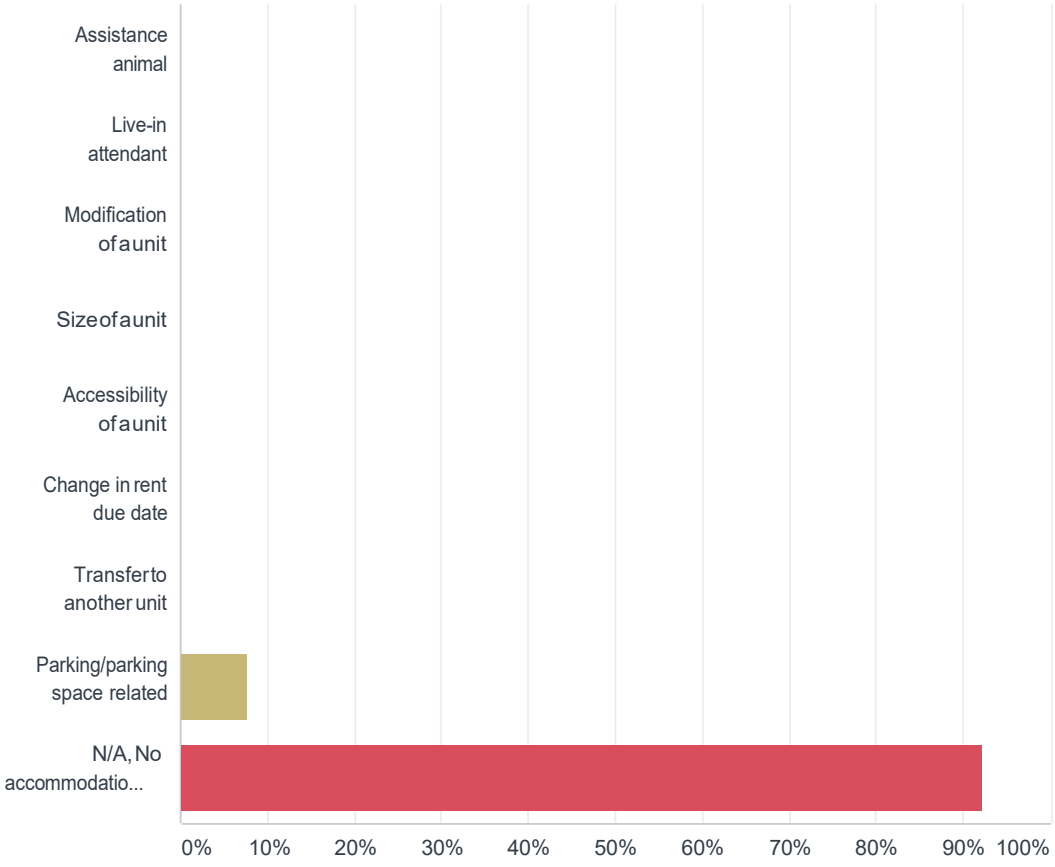
Answered: 20 Skipped: 14



ANSWER CHOICES	RESPONSES	
Yes	0.00%	0
No	80.00%	16
Don't know	20.00%	4
TOTAL		20

Q18 17. If yes, what type of accommodation and/or modification did you or the person you know request?

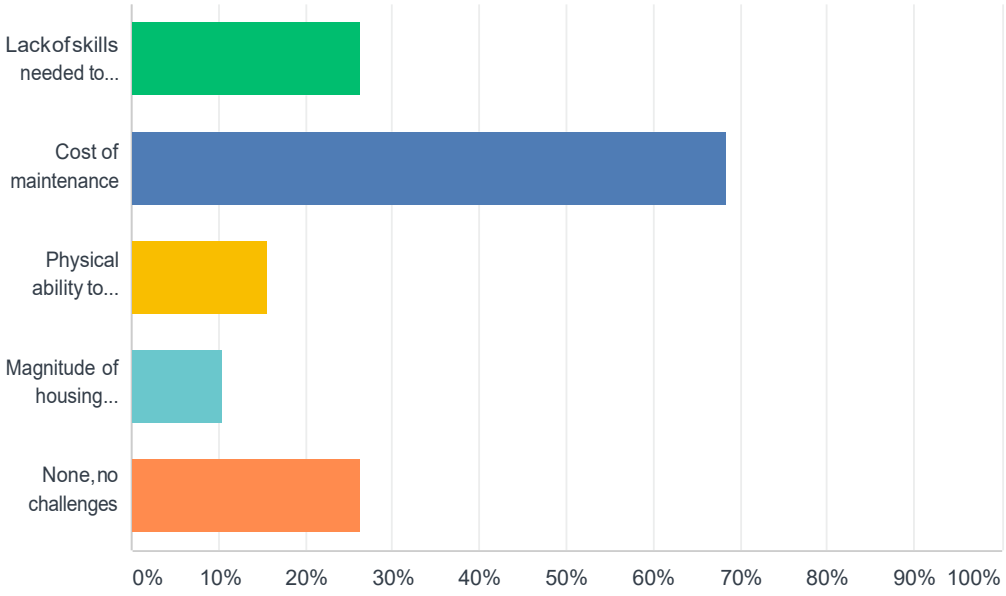
Answered: 13 Skipped: 21



ANSWER CHOICES	RESPONSES	
Assistance animal	0.00%	0
Live-in attendant	0.00%	0
Modification of a unit	0.00%	0
Size of a unit	0.00%	0
Accessibility of a unit	0.00%	0
Change in rent due date	0.00%	0
Transfer to another unit	0.00%	0
Parking/parking space related	7.69%	1
N/A, No accommodation requested	92.31%	12
TOTAL		13

Q19 18. What are the most pressing challenges you have with maintaining your home? (Select no more than two)

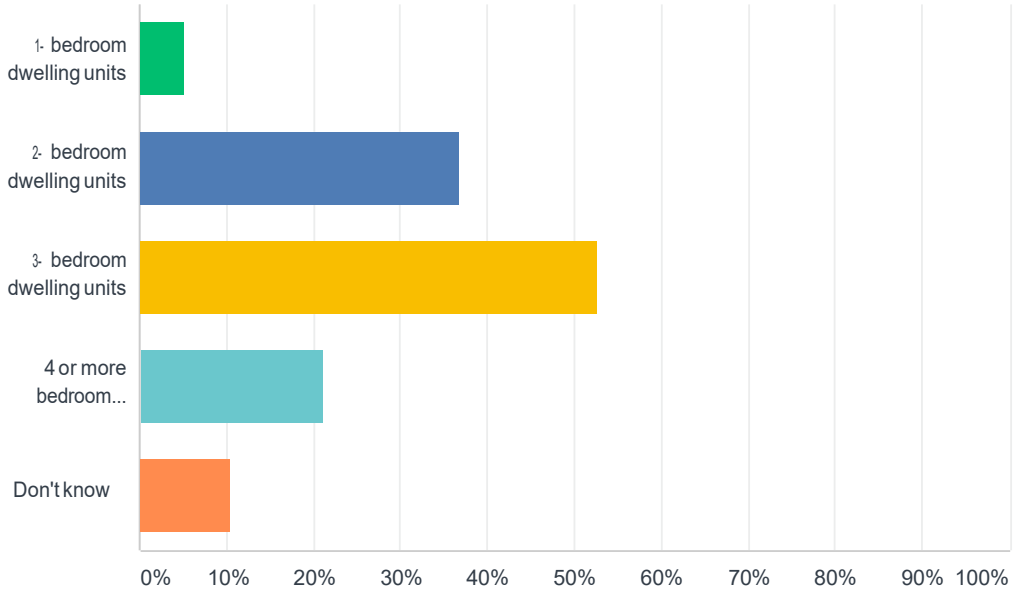
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
Lack of skills needed to maintain	26.32%	5
Cost of maintenance	68.42%	13
Physical ability to maintain your home	15.79%	3
Magnitude of housing problems is overwhelming	10.53%	2
None, no challenges	26.32%	5
Total Respondents: 19		

Q20 19. What size of housing units are most needed in the City of Montebello?

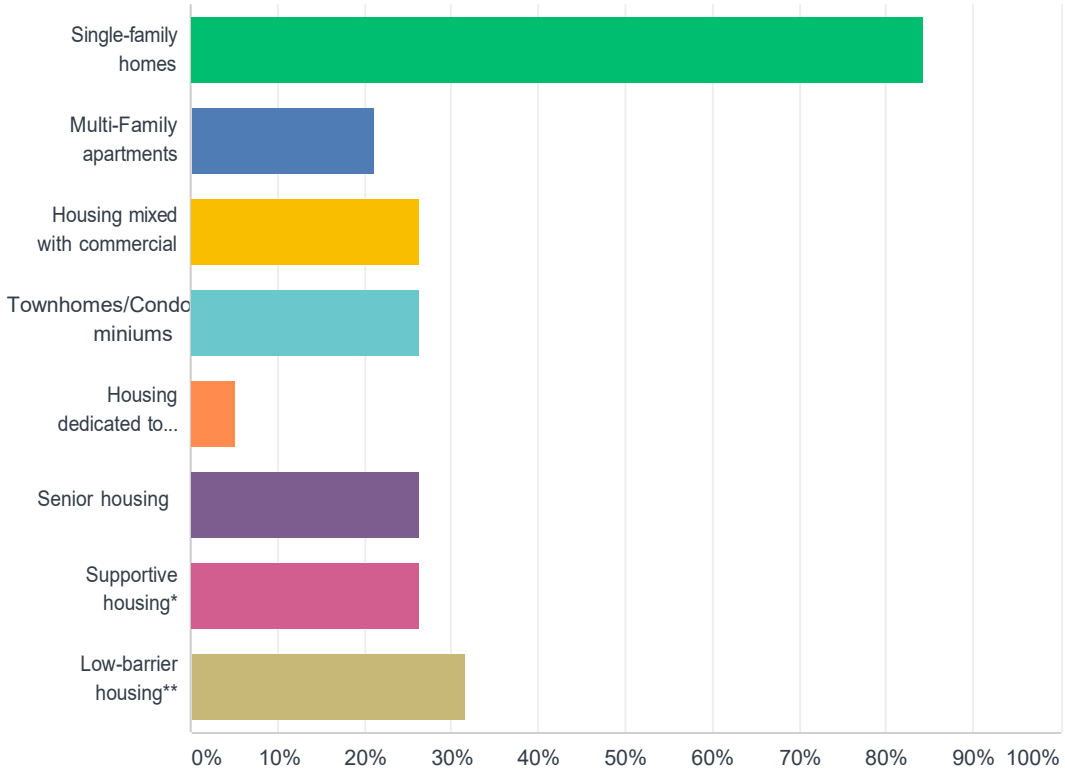
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
1-bedroom dwelling units	5.26%	1
2-bedroom dwelling units	36.84%	7
3-bedroom dwelling units	52.63%	10
4 or more bedroom dwelling units	21.05%	4
Don't know	10.53%	2
Total Respondents: 19		

Q21 20. What type of housing is most needed in the City of Montebello? (Select all that apply)

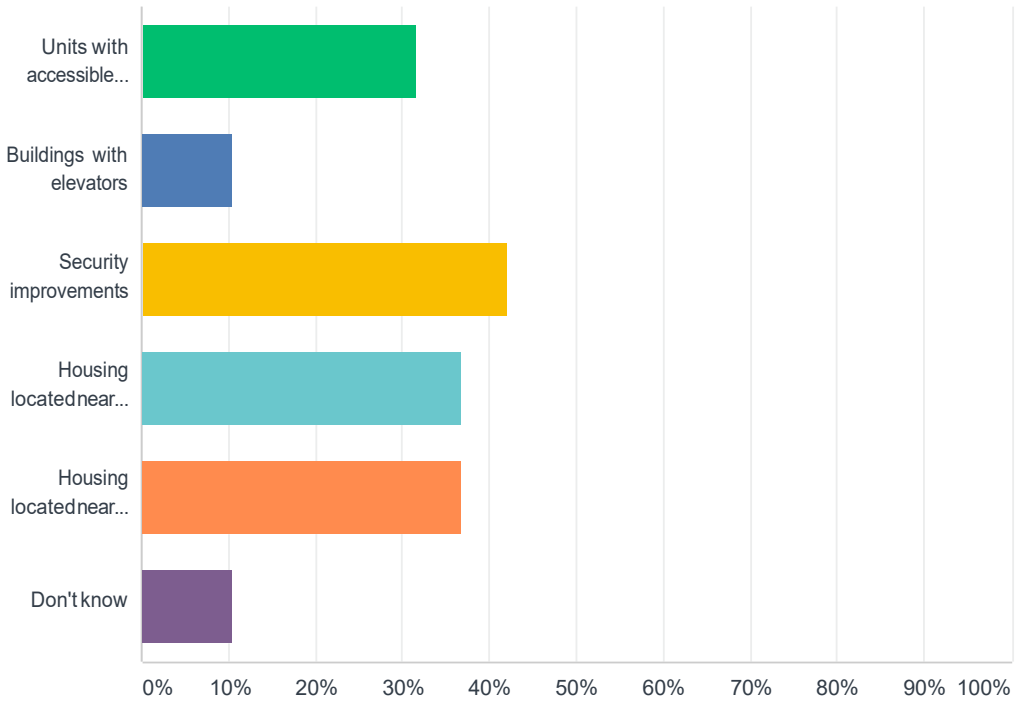
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
Single-family homes	84.21%	16
Multi-Family apartments	21.05%	4
Housing mixed with commercial	26.32%	5
Townhomes/Condominiums	26.32%	5
Housing dedicated to those with mental and physical disabilities	5.26%	1
Senior housing	26.32%	5
Supportive housing*	26.32%	5
Low-barrier housing**	31.58%	6
Total Respondents: 19		

Q22 21. What housing amenities do you think are needed in Montebello?

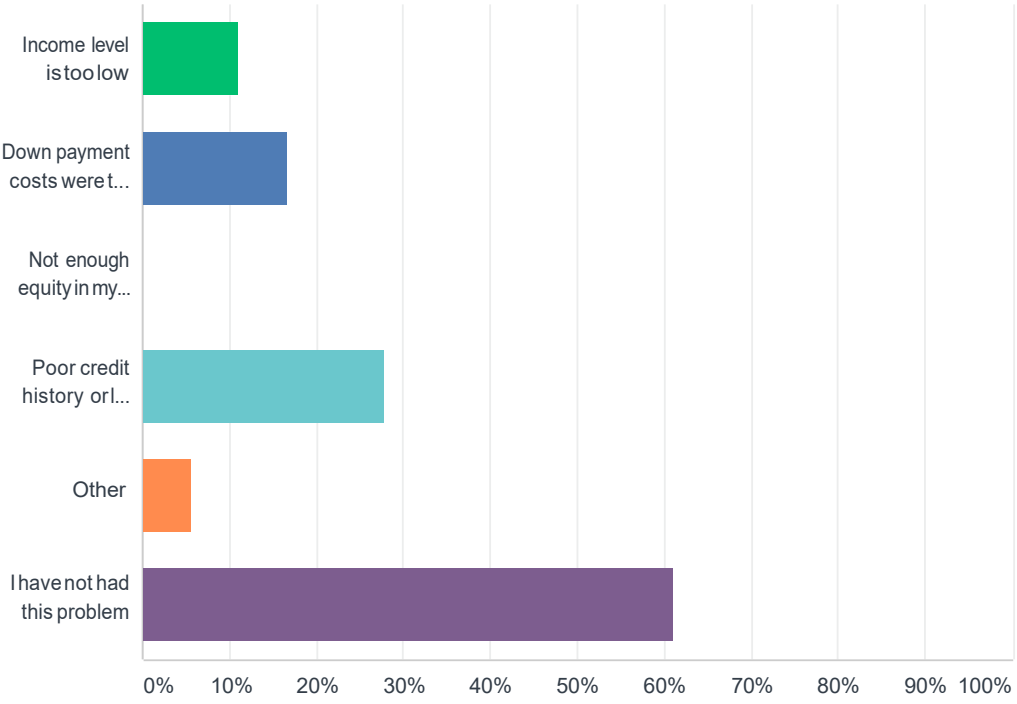
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
Units with accessible kitchens and bathrooms	31.58%	6
Buildings with elevators	10.53%	2
Security improvements	42.11%	8
Housing located near transit	36.84%	7
Housing located near schools and parks	36.84%	7
Don't know	10.53%	2
Total Respondents: 19		

Q23 22. If you have ever applied for a home loan and your application was NOT approved, which of the following reasons were you given?

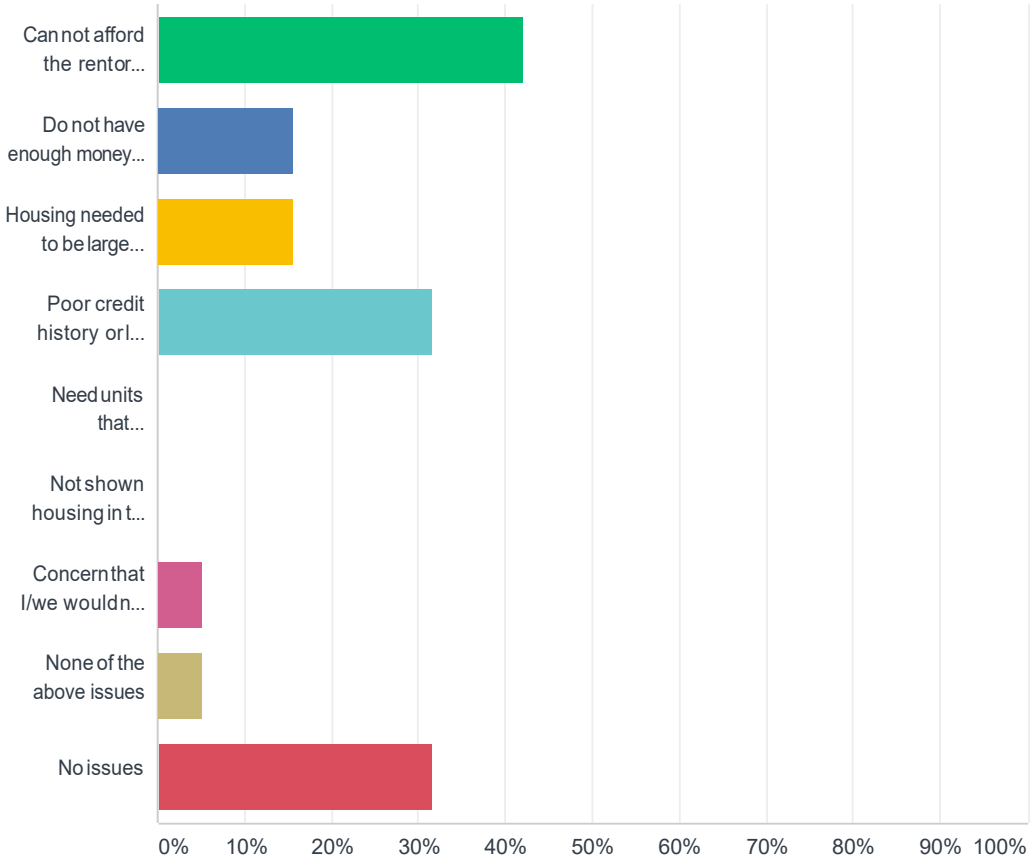
Answered: 18 Skipped: 16



ANSWER CHOICES	RESPONSES	
Income level is too low	11.11%	2
Down payment costs were too high	16.67%	3
Not enough equity in my property	0.00%	0
Poor credit history or low credit score	27.78%	5
Other	5.56%	1
I have not had this problem	61.11%	11
Total Respondents: 18		

Q24 23. Which of the following issues, if any, have limited your housing options in a preferred neighborhood or area in Montebello? (Please select no more than 3)

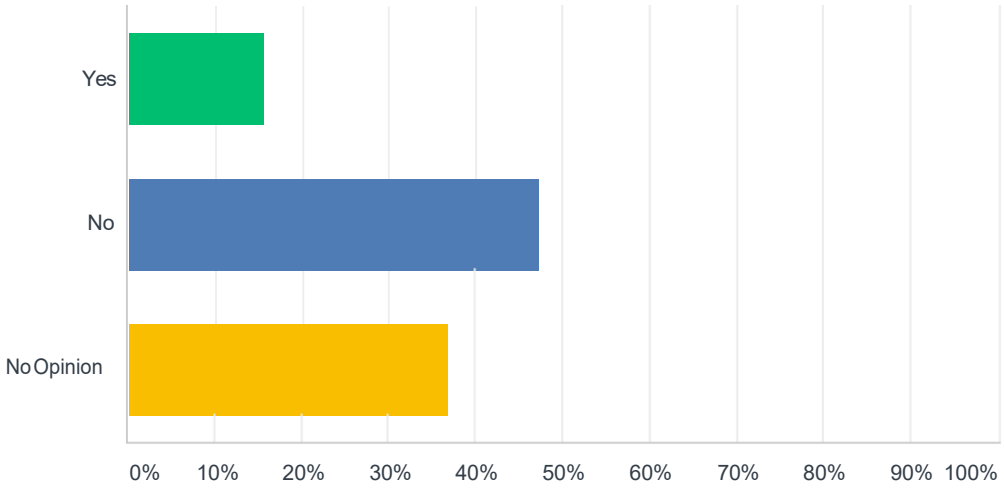
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
Can not afford the rent or mortgage in a preferred neighborhood	42.11%	8
Do not have enough money for a security deposit	15.79%	3
Housing needed to be large enough for my/our household	15.79%	3
Poor credit history or low credit score	31.58%	6
Need units that accommodate a disability (i.e. wheelchair accessible)	0.00%	0
Not shown housing in the neighborhood(s) I/we wanted to move to	0.00%	0
Concern that I/we would not be welcome in the neighborhood	5.26%	1
None of the above issues	5.26%	1
No issues	31.58%	6
Total Respondents: 19		

Q25 24. Do you feel local land use regulations support the development of affordable housing?

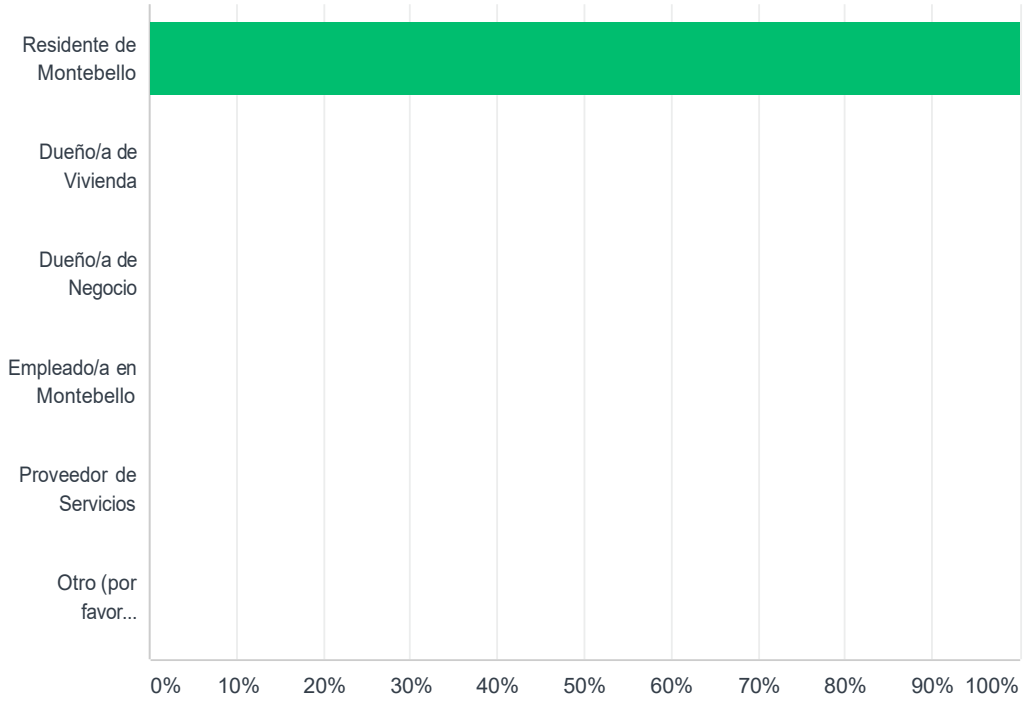
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
Yes	15.79%	3
No	47.37%	9
No Opinion	36.84%	7
TOTAL		19

Q26 1. Por favor seleccione todas las respuestas que apliquen. ¿Es usted:

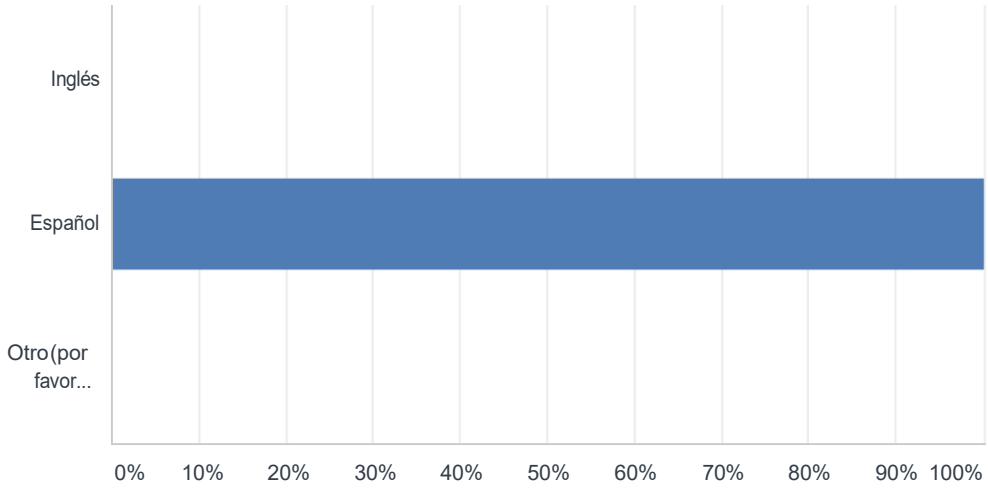
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Residente de Montebello	100.00%	1
Dueño/a de Vivienda	0.00%	0
Dueño/a de Negocio	0.00%	0
Empleado/a en Montebello	0.00%	0
Proveedor de Servicios	0.00%	0
Otro (por favor especifique)	0.00%	0
Total Respondents: 1		

Q27 2. ¿Cuál es el idioma principal que habla en casa?

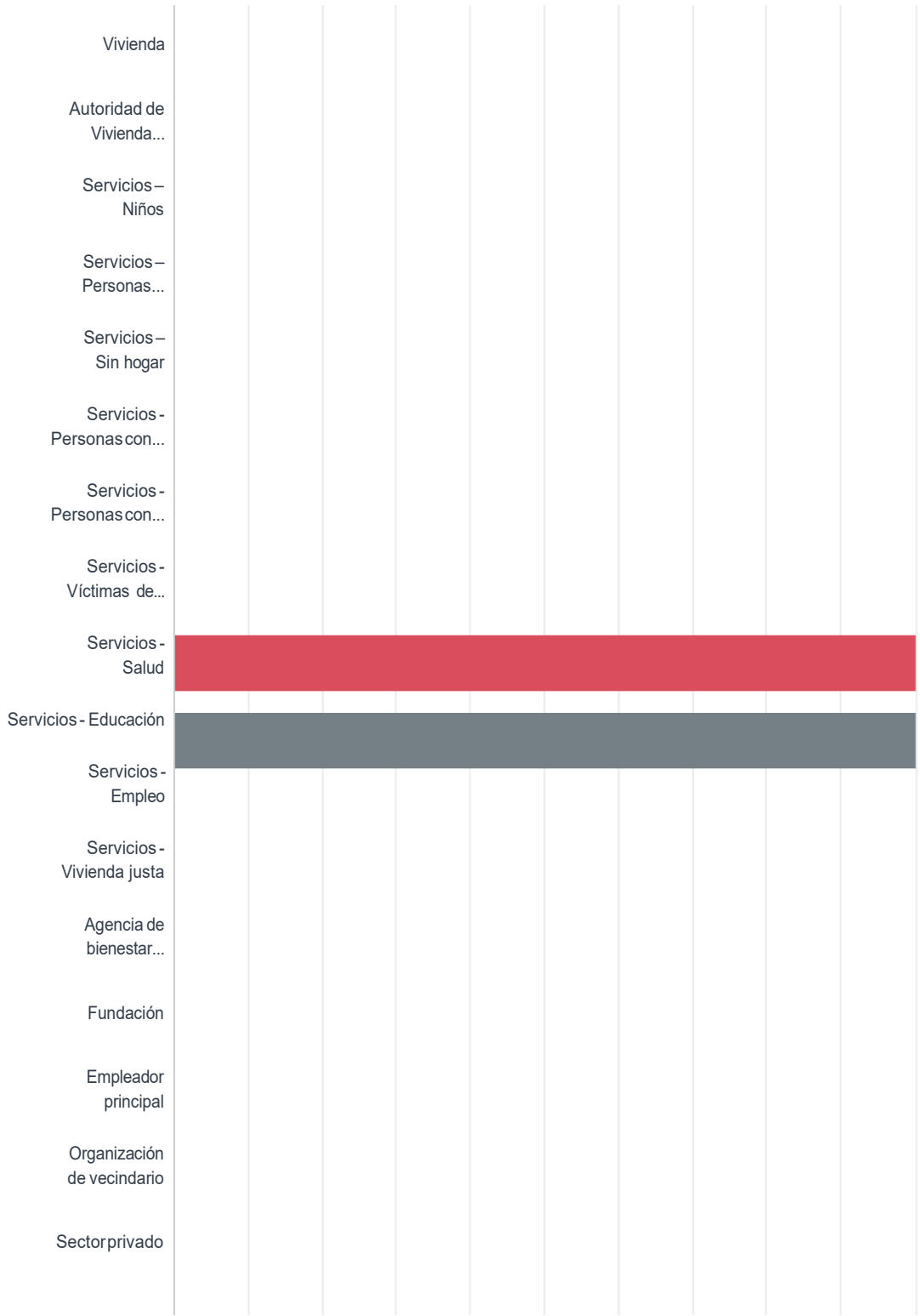
Answered: 1 Skipped: 33

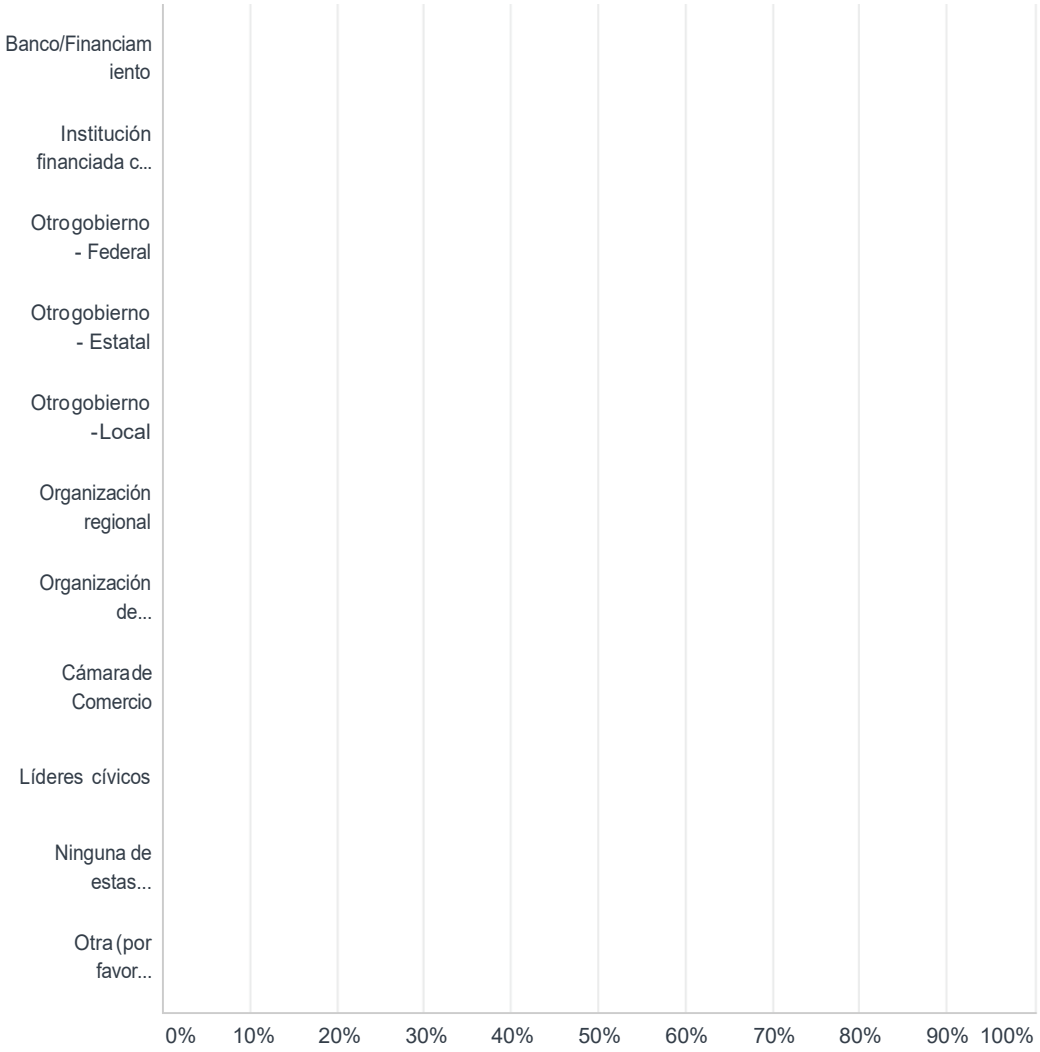


ANSWER CHOICES	RESPONSES	
Inglés	0.00%	0
Español	100.00%	1
Otro (por favor especifique)	0.00%	0
TOTAL		1

Q28 3. Por favor indique con cuales de estas organizaciones está usted afiliado/a.*Organizaciones que pueden dar de alta a personas sin hogar, como centros de salud, centros de salud mental, orfanatos y otros centros juveniles, y programas e instituciones correccionales.

Answered: 1 Skipped: 33

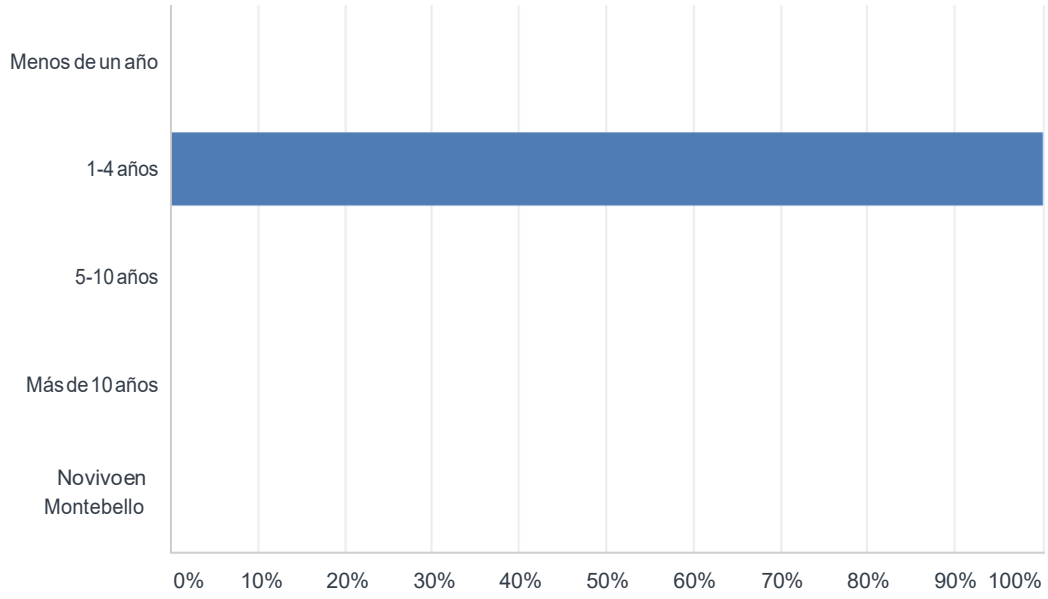



Banco/Financiamiento
Institución financiada c...
Otro gobierno - Federal
Otro gobierno - Estatal
Otro gobierno -Local
Organización regional
Organización de...
Cámara de Comercio
Líderes cívicos
Ninguna de estas...
Otra (por favor...
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

ANSWER CHOICES	RESPONSES	
Vivienda	0.00%	0
Autoridad de Vivienda Publica	0.00%	0
Servicios – Niños	0.00%	0
Servicios – Personas mayores	0.00%	0
Servicios – Sin hogar	0.00%	0
Servicios - Personas con discapacidades	0.00%	0
Servicios - Personas con VIH/SIDA	0.00%	0
Servicios - Víctimas de violencia doméstica	0.00%	0
Servicios - Salud	100.00%	1
Servicios - Educación	100.00%	1
Servicios - Empleo	0.00%	0
Servicios - Vivienda justa	0.00%	0
Agencia de bienestar infantil	0.00%	0
Fundación	0.00%	0
Empleador principal	0.00%	0
Organización de vecindario	0.00%	0
Sector privado	0.00%	0
Banco/Financiamiento	0.00%	0
Institución financiada con fondos públicos/sistema de cuidado*	0.00%	0
Otro gobierno - Federal	0.00%	0
Otro gobierno - Estatal	0.00%	0
Otro gobierno - Local	0.00%	0
Organización regional	0.00%	0
Organización de planificación	0.00%	0
Cámara de Comercio	0.00%	0
Líderes cívicos	0.00%	0
Ninguna de estas organizaciones	0.00%	0
Otra (por favor especifique)	0.00%	0
Total Respondents: 1		

Q29 4. ¿Cuánto tiempo ha vivido en la ciudad de Montebello?

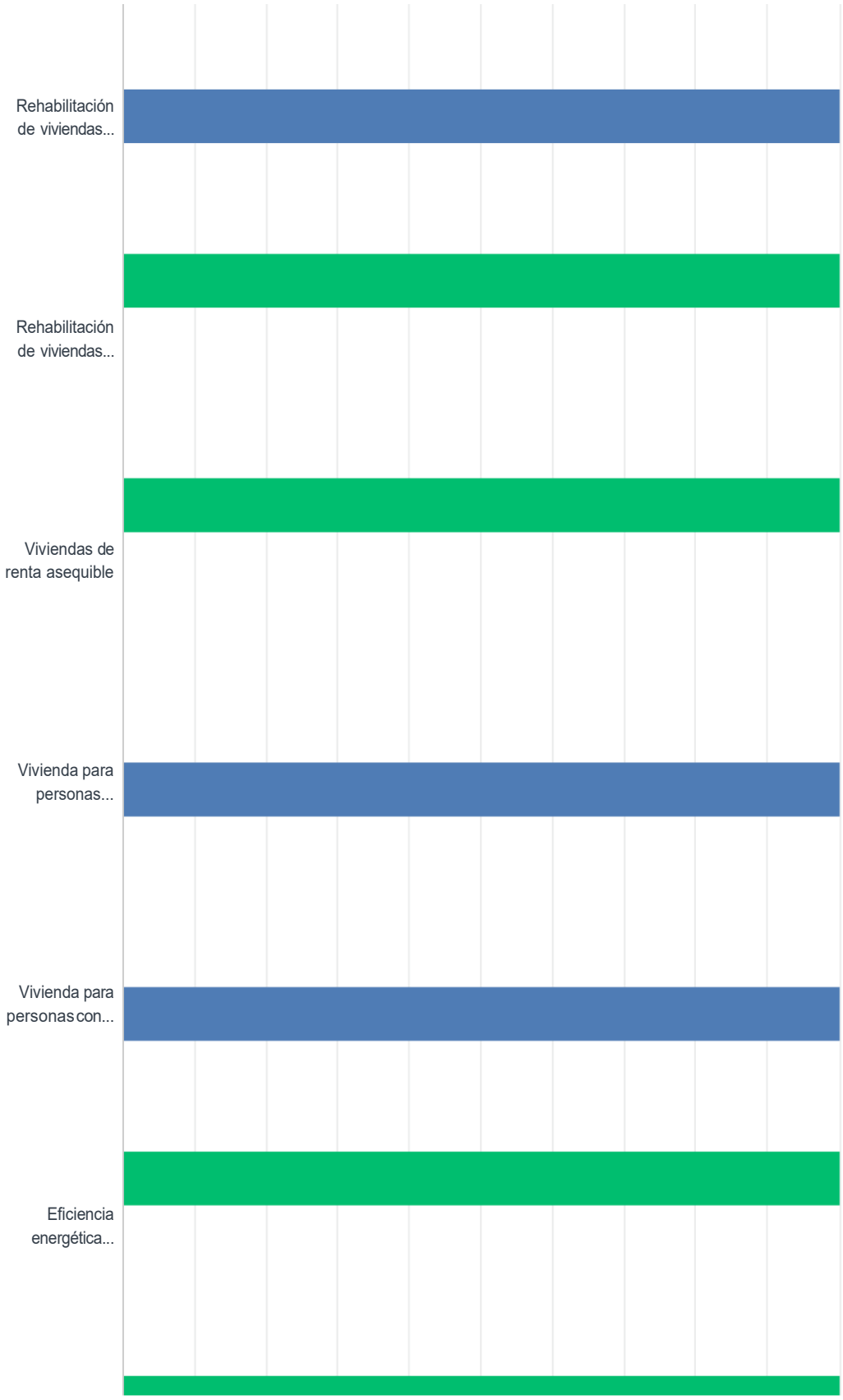
Answered: 1 Skipped: 33

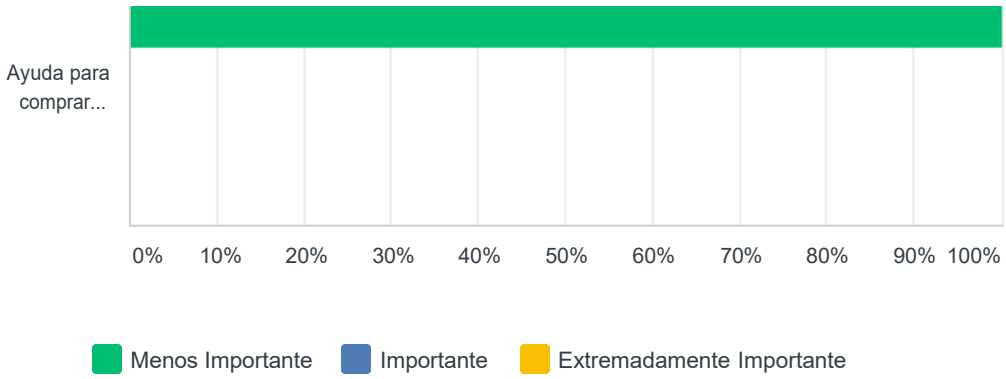


ANSWER CHOICES	RESPONSES	
Menos de un año	0.00%	0
1-4 años	100.00%	1
5-10 años	0.00%	0
Más de 10 años	0.00%	0
No vivo en Montebello	0.00%	0
TOTAL		1

Q30 5. Vivienda

Answered: 1 Skipped: 33

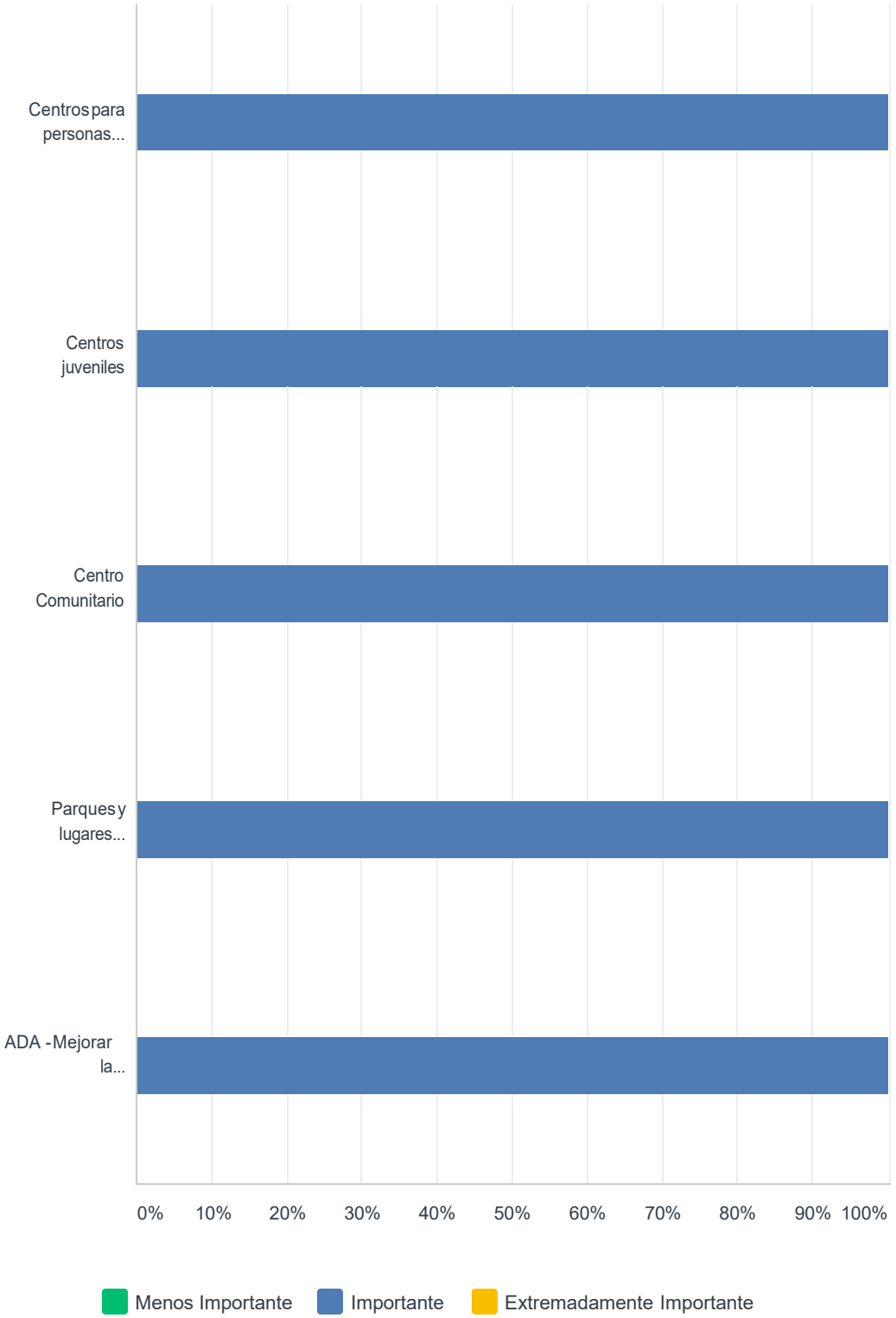




	MENOS IMPORTANTE	IMPORTANTE	EXTREMADAMENTE IMPORTANTE	TOTAL	WEIGHTED AVERAGE
Rehabilitación de viviendas ocupadas por los dueños	0.00% 0	100.00% 1	0.00% 0	1	3.00
Rehabilitación de viviendas ocupadas por inquilinos	100.00% 1	0.00% 0	0.00% 0	1	1.00
Viviendas de renta asequible	100.00% 1	0.00% 0	0.00% 0	1	1.00
Vivienda para personas mayores	0.00% 0	100.00% 1	0.00% 0	1	3.00
Vivienda para personas con discapacidad	0.00% 0	100.00% 1	0.00% 0	1	3.00
Eficiencia energética dentro del hogar	100.00% 1	0.00% 0	0.00% 0	1	1.00
Ayuda para comprar vivienda	100.00% 1	0.00% 0	0.00% 0	1	1.00

Q31 6. Lugares Comunitarios

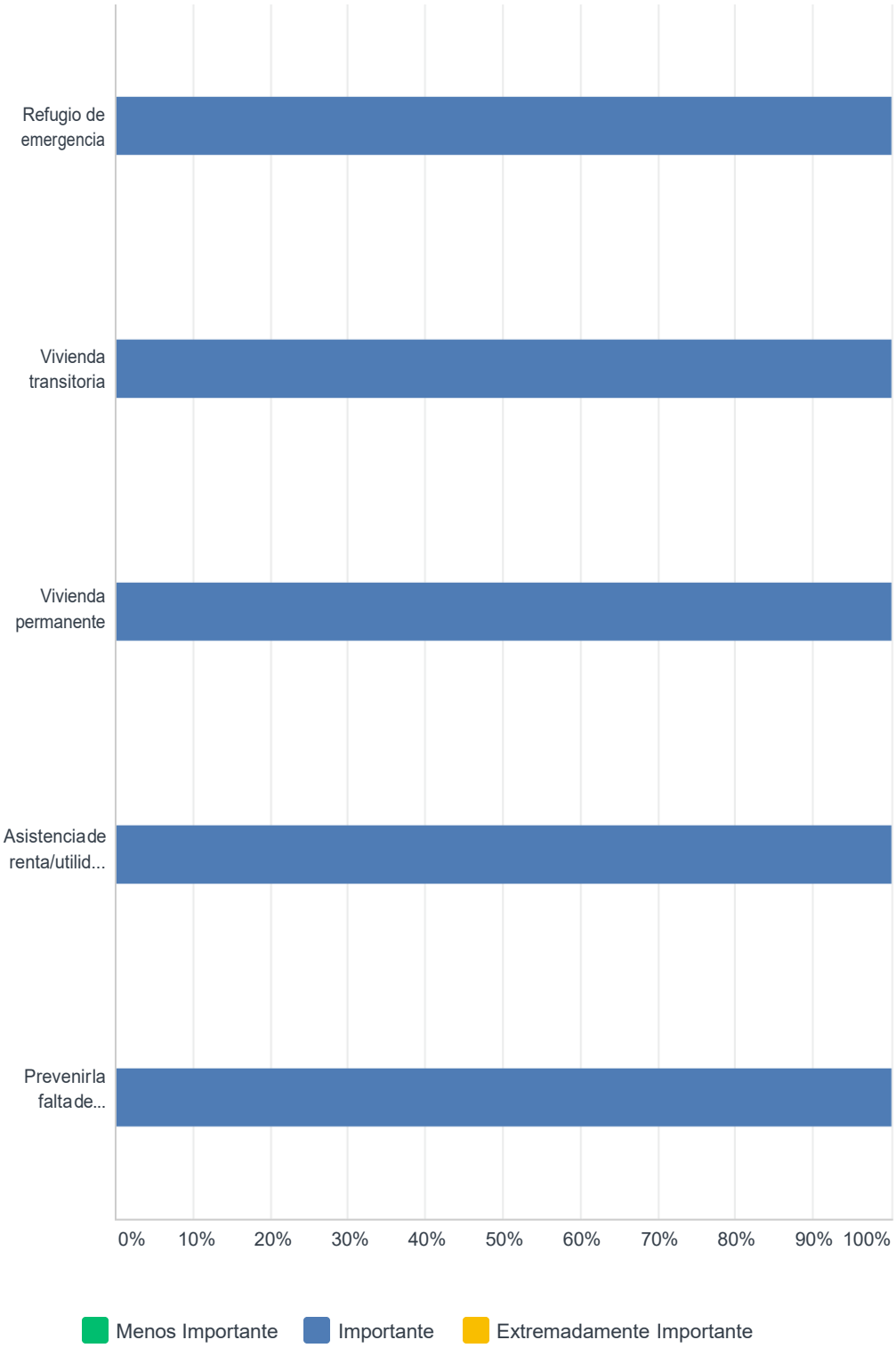
Answered: 1 Skipped: 33



	MENOS IMPORTANTE	IMPORTANTE	EXTREMADAMENTE IMPORTANTE	TOTAL	WEIGHTED AVERAGE
Centros para personas mayores	0.00% 0	100.00% 1	0.00% 0	1	3.00
Centros juveniles	0.00% 0	100.00% 1	0.00% 0	1	3.00
Centro Comunitario	0.00% 0	100.00% 1	0.00% 0	1	3.00
Parques y lugares recreativos	0.00% 0	100.00% 1	0.00% 0	1	3.00
ADA - Mejorar la accesibilidad de infraestructura y edificios públicos	0.00% 0	100.00% 1	0.00% 0	1	3.00

Q32 7. Vivienda para Personas Sin Hogar

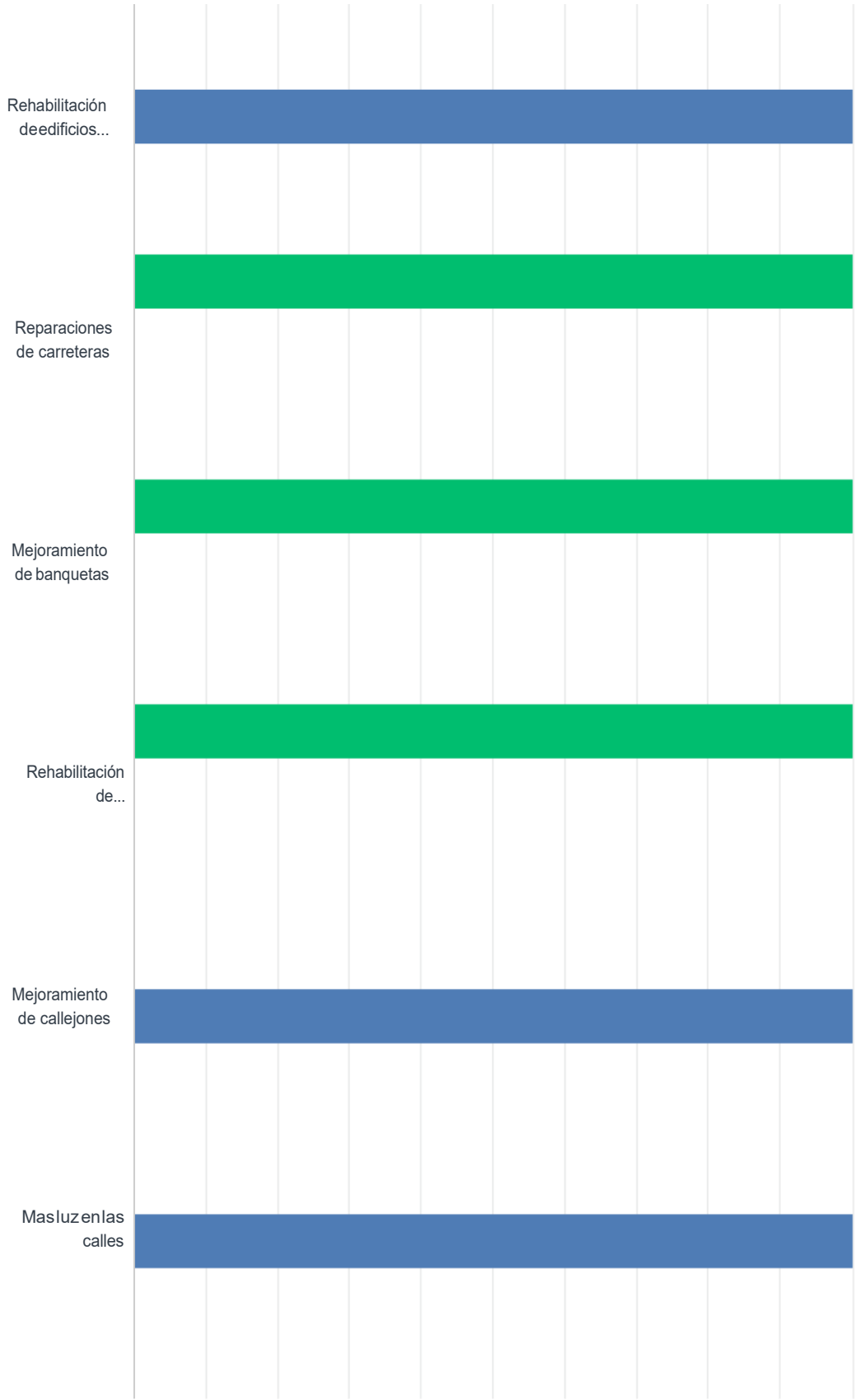
Answered: 1 Skipped: 33

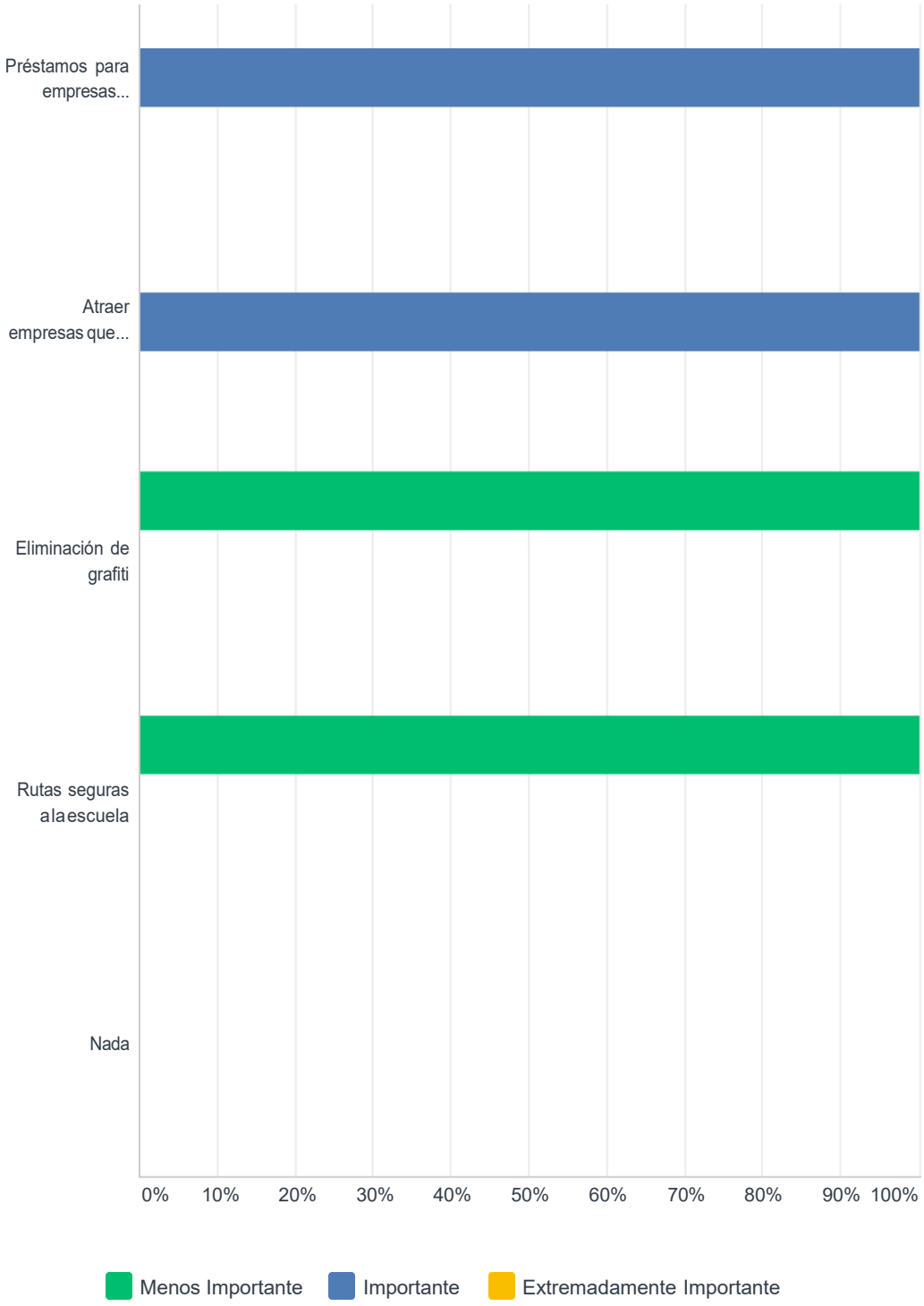


	MENOS IMPORTANTE	IMPORTANTE	EXTREMADAMENTE IMPORTANTE	TOTAL	WEIGHTED AVERAGE
Refugio de emergencia	0.00% 0	100.00% 1	0.00% 0	1	3.00
Vivienda transitoria	0.00% 0	100.00% 1	0.00% 0	1	3.00
Vivienda permanente	0.00% 0	100.00% 1	0.00% 0	1	3.00
Asistencia de renta/utilidades publicas	0.00% 0	100.00% 1	0.00% 0	1	3.00
Prevenir la falta de vivienda	0.00% 0	100.00% 1	0.00% 0	1	3.00

Q33 8. Mejoramiento del Vecindario

Answered: 1 Skipped: 33

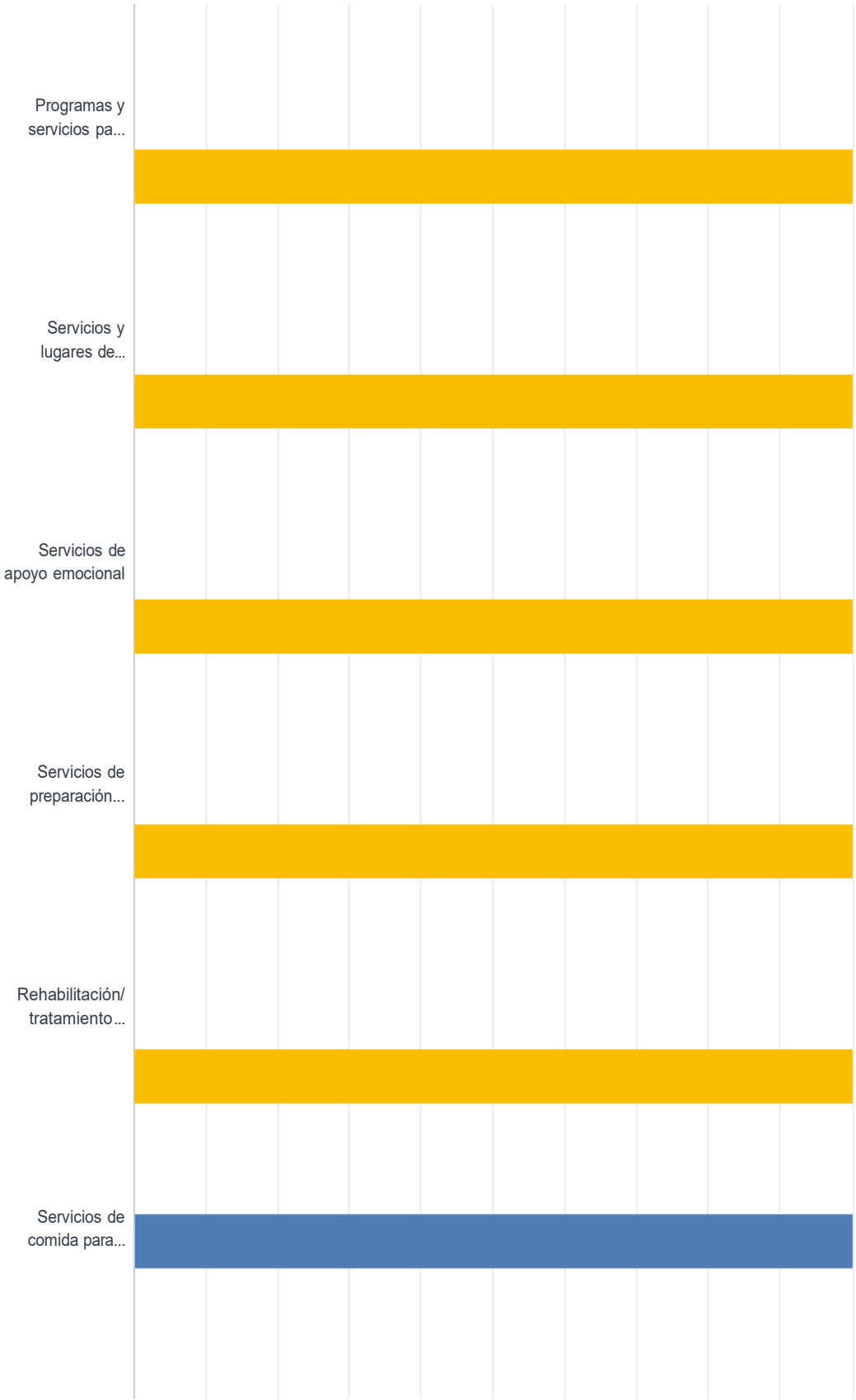


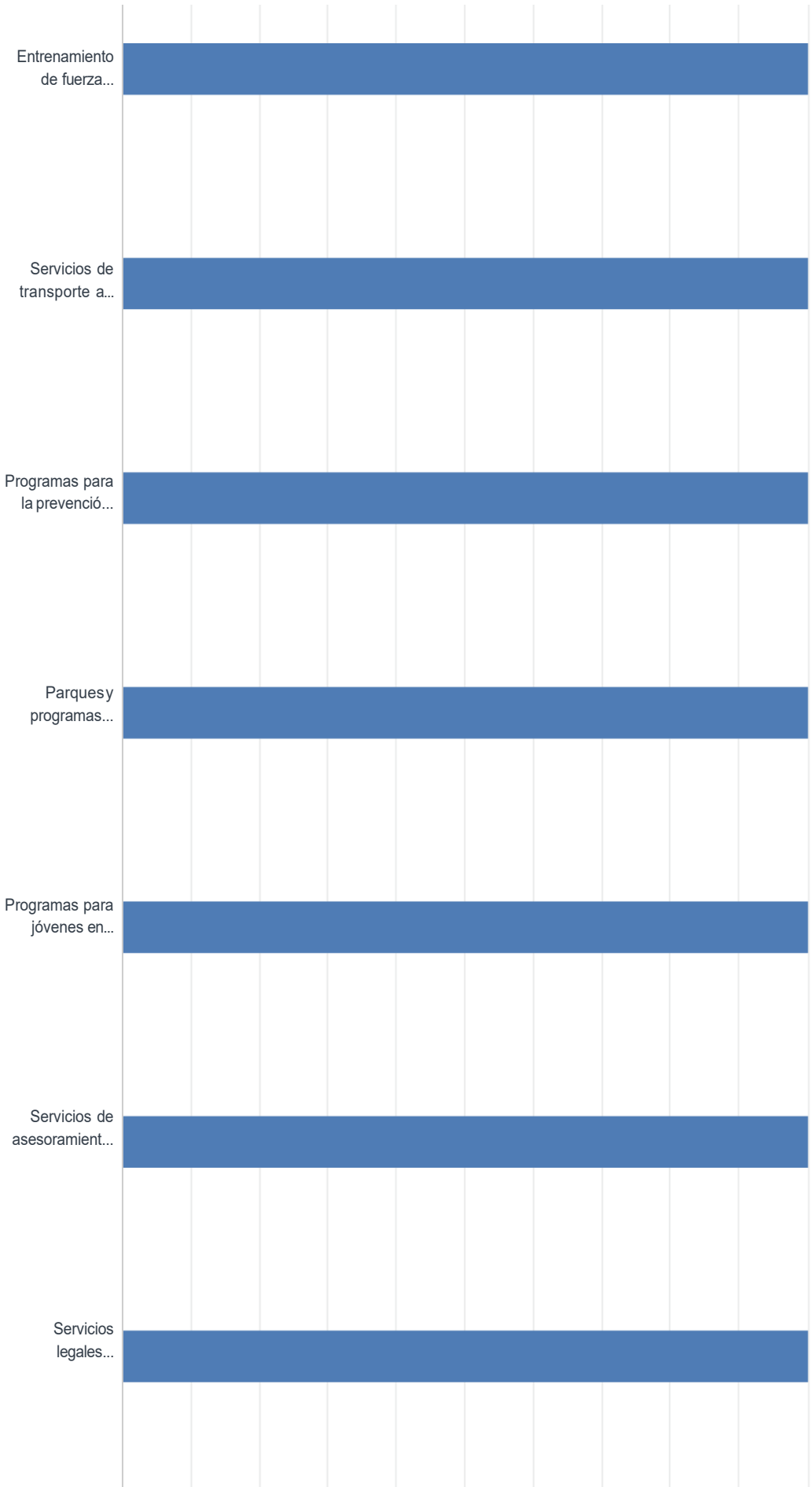

Préstamos para empresas...
Atraer empresas que...
Eliminación de grafiti
Rutas seguras a la escuela
Nada
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Menos Importante
Importante
Extremadamente Importante

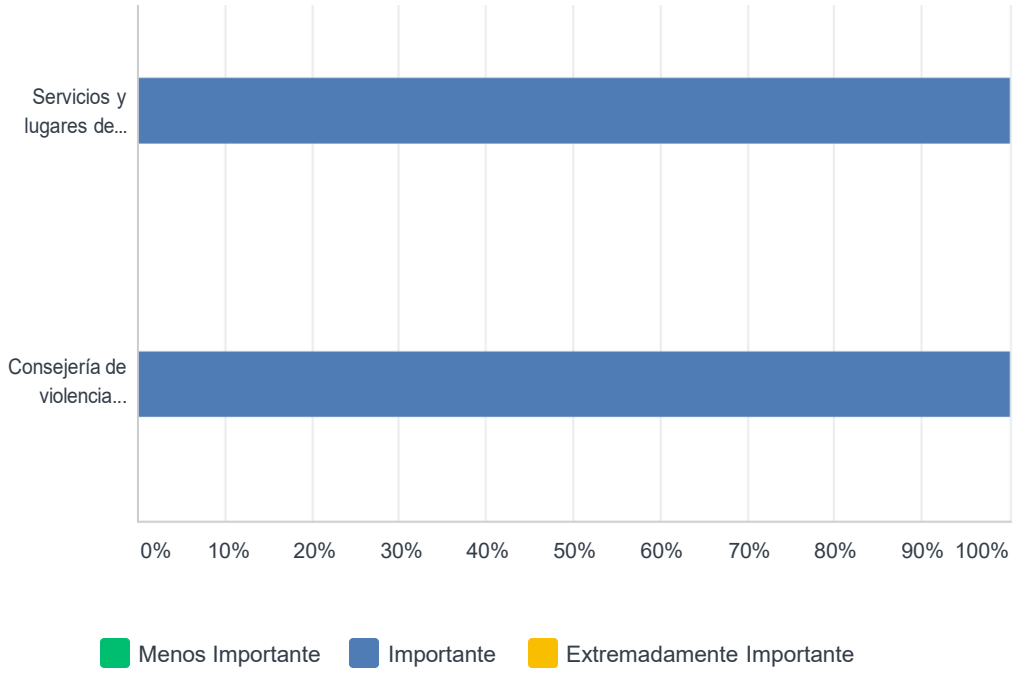
	MENOS IMPORTANTE	IMPORTANTE	EXTREMADAMENTE IMPORTANTE	TOTAL	WEIGHTED AVERAGE
Rehabilitación de edificios comerciales	0.00% 0	100.00% 1	0.00% 0	1	3.00
Reparaciones de carreteras	100.00% 1	0.00% 0	0.00% 0	1	1.00
Mejoramiento de banquetas	100.00% 1	0.00% 0	0.00% 0	1	1.00
Rehabilitación de alcantarillado/drenaje	100.00% 1	0.00% 0	0.00% 0	1	1.00
Mejoramiento de callejones	0.00% 0	100.00% 1	0.00% 0	1	3.00
Mas luz en las calles	0.00% 0	100.00% 1	0.00% 0	1	3.00
Préstamos para empresas pequeñas	0.00% 0	100.00% 1	0.00% 0	1	3.00
Atraer empresas que generen empleo	0.00% 0	100.00% 1	0.00% 0	1	3.00
Eliminación de grafiti	100.00% 1	0.00% 0	0.00% 0	1	1.00
Rutas seguras a la escuela	100.00% 1	0.00% 0	0.00% 0	1	1.00
Nada	0.00% 0	0.00% 0	0.00% 0	0	0.00

Q34 9. Programas Comunitarios y Servicios

Answered: 1 Skipped: 33



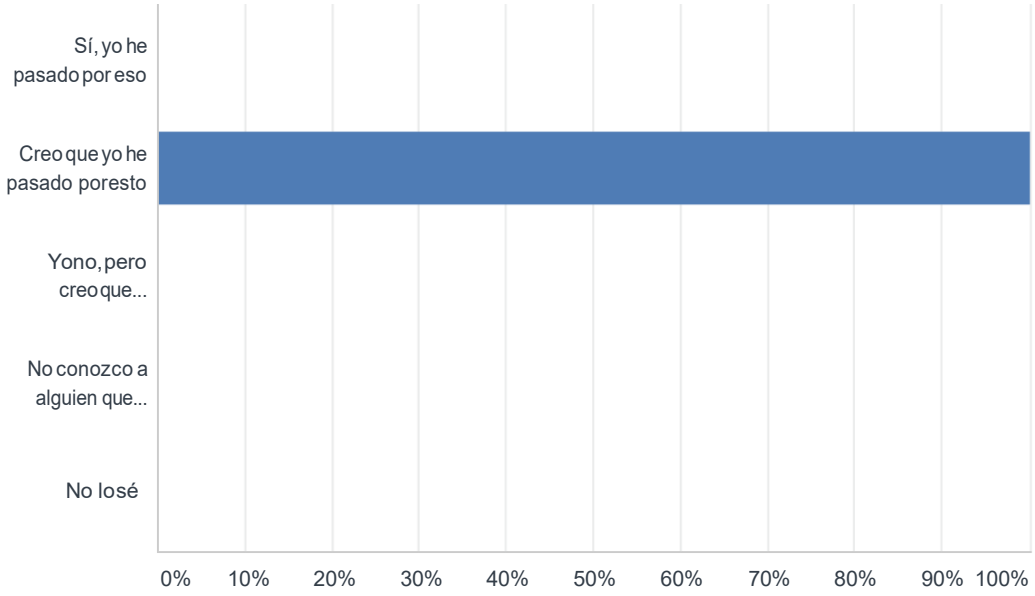

Entrenamiento de fuerza...
Servicios de transporte a...
Programas para la prevenció...
Parques y programas...
Programas para jóvenes en...
Servicios de asesoramient...
Servicios legales...


Servicios y lugares de...
Consejería de violencia...
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Menos Importante
Importante
Extremadamente Importante

	MENOS IMPORTANTE	IMPORTANTE	EXTREMADAMENTE IMPORTANTE	TOTAL	WEIGHTED AVERAGE
Programas y servicios para niños después de la escuela y durante el verano	0.00% 0	0.00% 0	100.00% 1	1	3.00
Servicios y lugares de cuidado infantil	0.00% 0	0.00% 0	100.00% 1	1	3.00
Servicios de apoyo emocional	0.00% 0	0.00% 0	100.00% 1	1	3.00
Servicios de preparación para desastres y emergencias	0.00% 0	0.00% 0	100.00% 1	1	3.00
Rehabilitación/tratamiento de abuso de drogas/alcohol	0.00% 0	0.00% 0	100.00% 1	1	3.00
Servicios de comida para residentes con necesidades especiales	0.00% 0	100.00% 1	0.00% 0	1	2.00
Entrenamiento de fuerza laboral y/o colocación laboral	0.00% 0	100.00% 1	0.00% 0	1	2.00
Servicios de transporte a bajo costo (cupones para taxi y Dial-A-Ride)	0.00% 0	100.00% 1	0.00% 0	1	2.00
Programas para la prevención de delitos en el vecindario	0.00% 0	100.00% 1	0.00% 0	1	2.00
Parques y programas recreativos	0.00% 0	100.00% 1	0.00% 0	1	2.00
Programas para jóvenes en riesgo	0.00% 0	100.00% 1	0.00% 0	1	2.00
Servicios de asesoramiento para personas sin hogar	0.00% 0	100.00% 1	0.00% 0	1	2.00
Servicios legales asequibles	0.00% 0	100.00% 1	0.00% 0	1	2.00
Servicios y lugares de salud	0.00% 0	100.00% 1	0.00% 0	1	2.00
Consejería de violencia domestica	0.00% 0	100.00% 1	0.00% 0	1	2.00

Q35 10. ¿Usted (o alguien que conoce) ha pasado por alguna forma de discriminación de vivienda?

Answered: 1 Skipped: 33



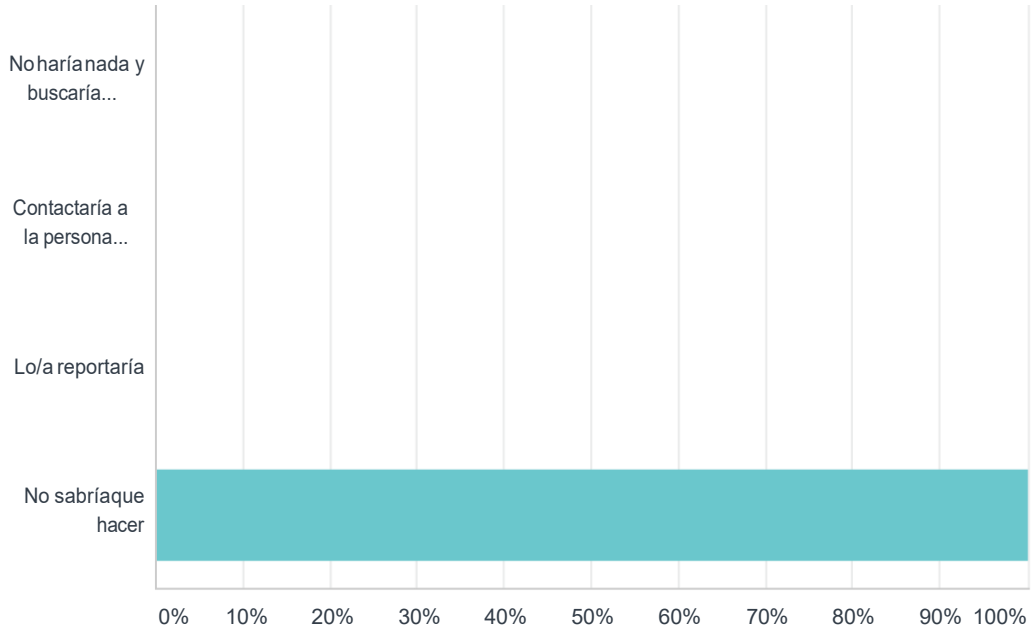
ANSWER CHOICES	RESPONSES	
Sí, yo he pasado por eso	0.00%	0
Creo que yo he pasado por esto	100.00%	1
Yo no, pero creo que conozco a alguien que ha pasado por eso	0.00%	0
No conozco a alguien que haya pasado por eso	0.00%	0
No lo sé	0.00%	0
TOTAL		1

Q36 11. Si cree que usted o alguien que conoce ha pasado por discriminación de vivienda, describa la ocurrencia

Answered: 0 Skipped: 34

Q37 12. ¿Qué haría usted si se encontrara con discriminación de vivienda?

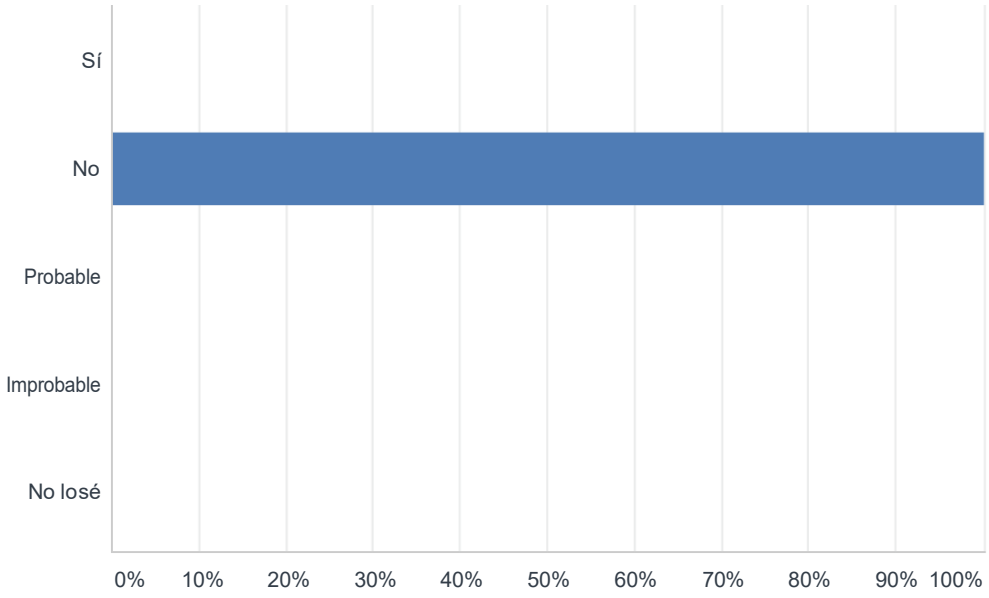
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
No haría nada y buscaría otras opciones de vivienda	0.00%	0
Contactaría a la persona responsable y le diría que me está discriminando	0.00%	0
Lo/a reportaría	0.00%	0
No sabría que hacer	100.00%	1
TOTAL		1

Q38 13. ¿Usted cree que la discriminación de vivienda ocurre en Montebello?

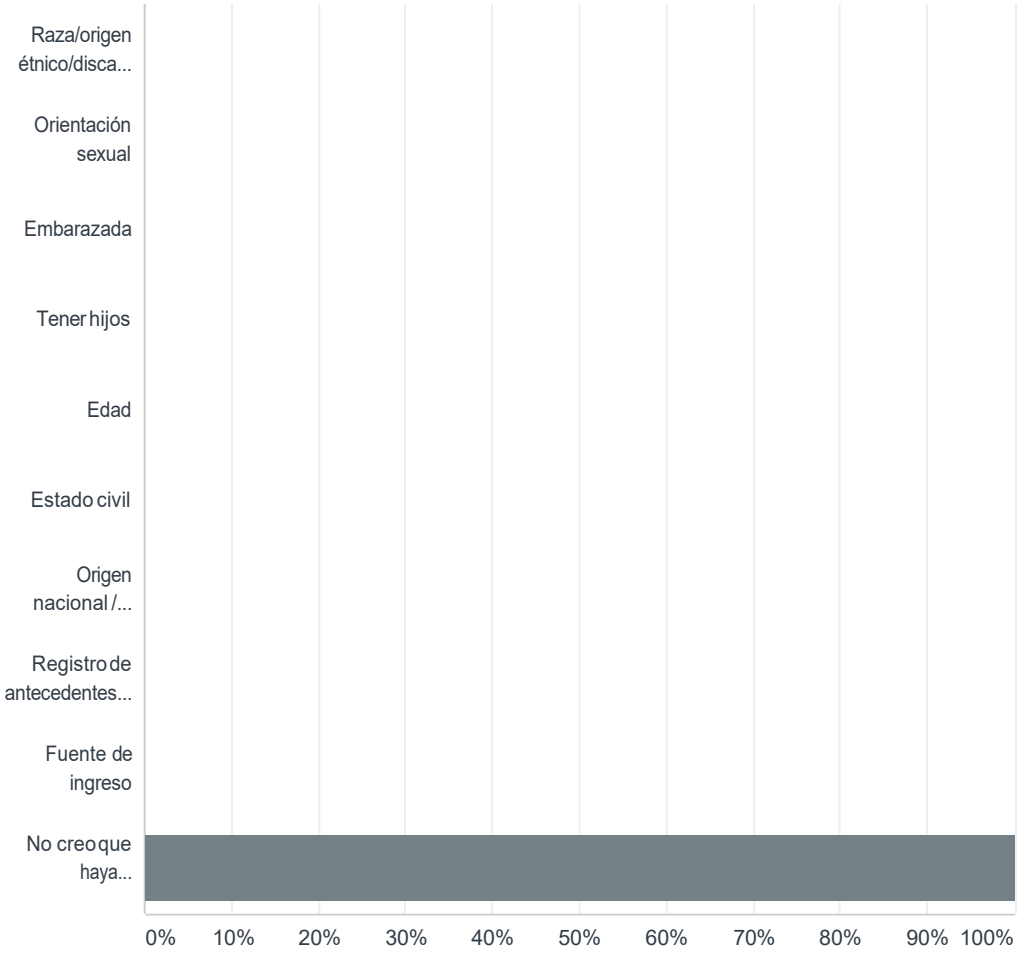
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Sí	0.00%	0
No	100.00%	1
Probable	0.00%	0
Improbable	0.00%	0
No lo sé	0.00%	0
TOTAL		1

Q39 14. Si cree que está ocurriendo discriminación de vivienda, ¿qué tipos de discriminación cree que son más frecuentes? (Por favor seleccione todas las respuestas válidas)

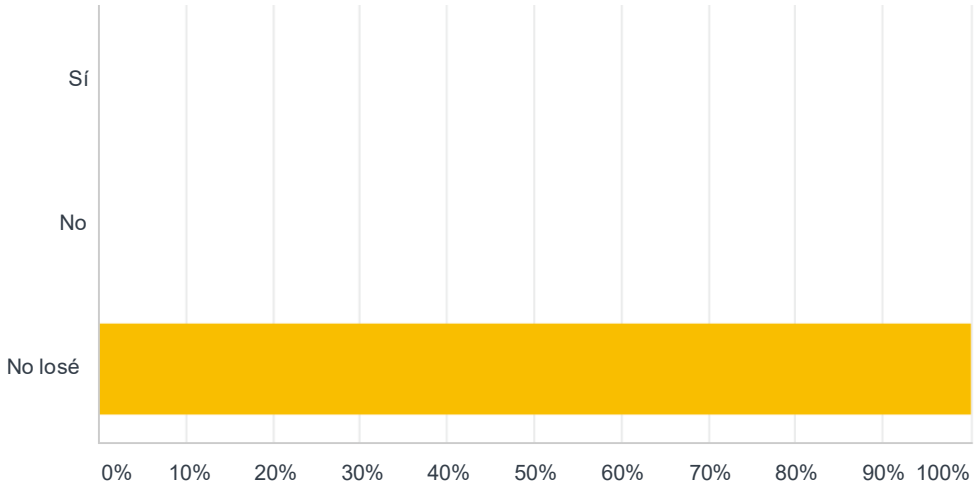
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Raza/origen étnico/discapacidad	0.00%	0
Orientación sexual	0.00%	0
Embarazada	0.00%	0
Tener hijos	0.00%	0
Edad	0.00%	0
Estado civil	0.00%	0
Origen nacional / ascendencia	0.00%	0
Registro de antecedentes penales	0.00%	0
Fuente de ingreso	0.00%	0
No creo que haya discriminación de vivienda	100.00%	1
TOTAL		1

Q40 15. ¿Conoce el derecho de un inquilino a solicitar, al dueño, un cambio físico para hacer que una vivienda sea más accesible, si fuera necesario debido a una discapacidad (llamada "adaptación razonable")?

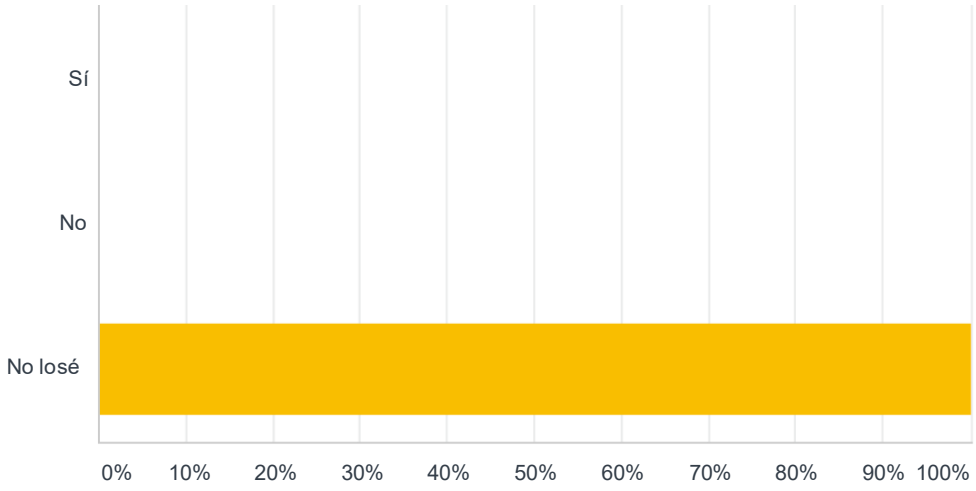
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Sí	0.00%	0
No	0.00%	0
No lo sé	100.00%	1
TOTAL		1

Q41 16. ¿Alguna vez usted, o alguien que conoce, ha solicitado una adaptación razonable?

Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Sí	0.00%	0
No	0.00%	0
No lo sé	100.00%	1
TOTAL		1

Q42 17. Si contesto que sí, ¿qué tipo de adaptación y/o modificación solicitó usted o la persona que conoce?

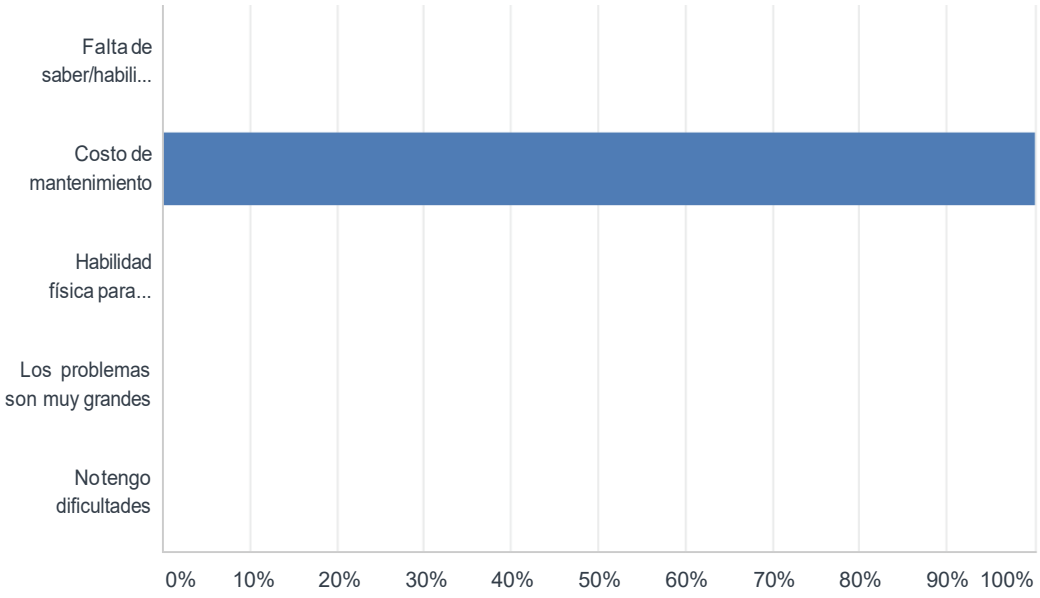
Answered: 0 Skipped: 34

No matching responses.

ANSWER CHOICES	RESPONSES	
Animal de asistencia	0.00%	0
Asistente en casa	0.00%	0
Modificación de una unidad	0.00%	0
Tamaño de una unidad	0.00%	0
Accesibilidad de una unidad	0.00%	0
Cambio de fecha de cuando se cobra la renta	0.00%	0
Cambiarse a otra unidad	0.00%	0
Estacionamiento/relacionado a un espacio de estacionamiento	0.00%	0
No aplica, no he pedido adaptación y/o modificación	0.00%	0
TOTAL		0

Q43 18. ¿Cuál es la dificultad más urgente que tiene para mantener su hogar?

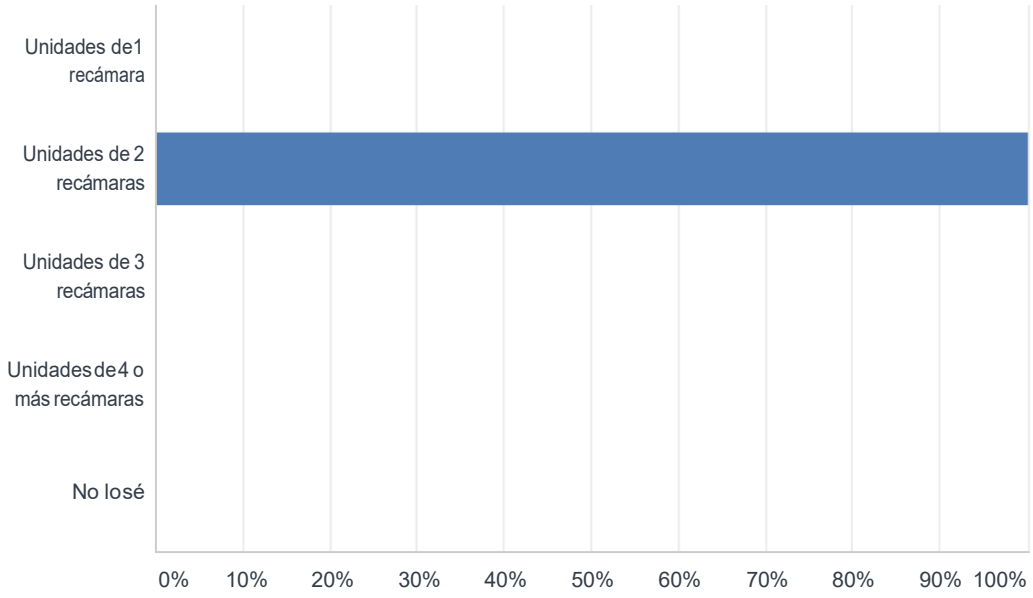
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Falta de saber/habilidad para mantener	0.00%	0
Costo de mantenimiento	100.00%	1
Habilidad física para mantener	0.00%	0
Los problemas son muy grandes	0.00%	0
No tengo dificultades	0.00%	0
TOTAL		1

Q44 19. ¿Qué tamaño de unidad es más necesaria en la ciudad de Montebello?

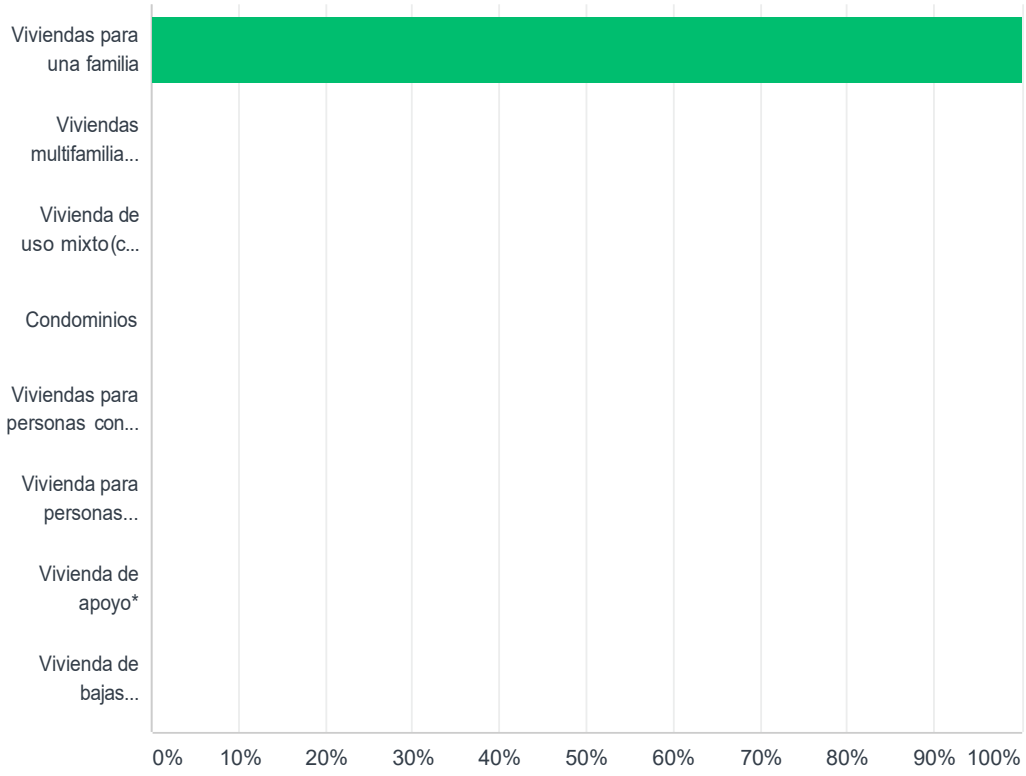
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Unidades de 1 recámara	0.00%	0
Unidades de 2 recámaras	100.00%	1
Unidades de 3 recámaras	0.00%	0
Unidades de 4 o más recámaras	0.00%	0
No lo sé	0.00%	0
TOTAL		1

Q45 20. ¿Qué tipos de vivienda son más necesarias en la ciudad de Montebello? (Por favor seleccione todas las que apliquen)

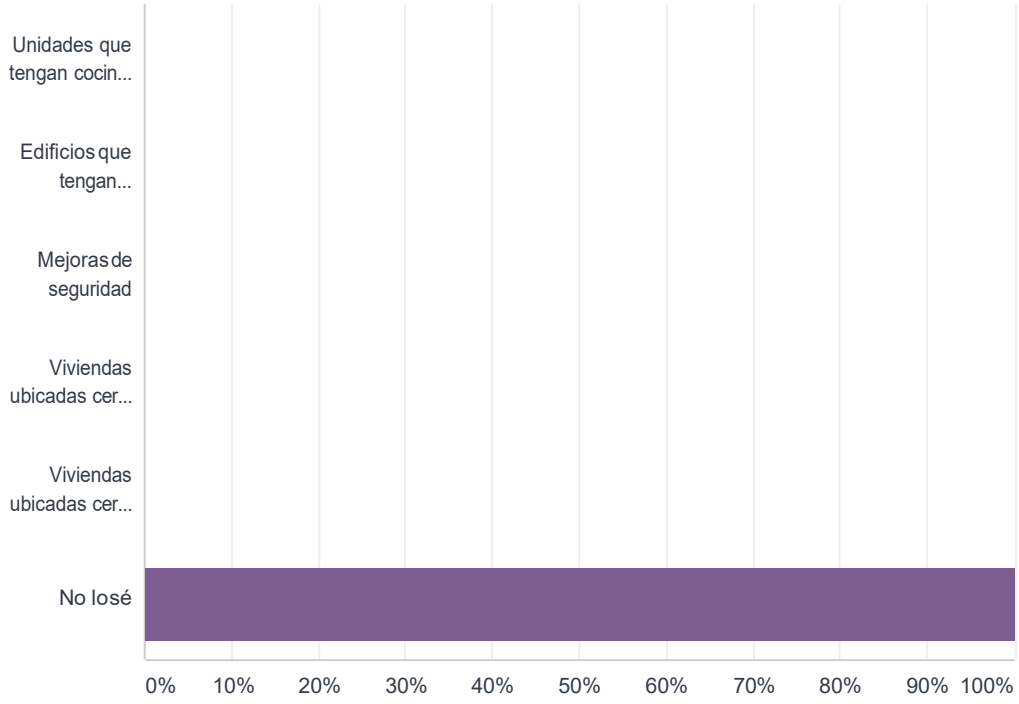
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Viviendas para una familia	100.00%	1
Viviendas multifamiliares/apartamentos	0.00%	0
Vivienda de uso mixto (con comercial)	0.00%	0
Condominios	0.00%	0
Viviendas para personas con discapacidades físicas y mentales	0.00%	0
Vivienda para personas mayores	0.00%	0
Vivienda de apoyo*	0.00%	0
Vivienda de bajas barreras**	0.00%	0
Total Respondents: 1		

Q46 21. ¿Cuáles servicios de vivienda cree que son necesarios en la ciudad Montebello?

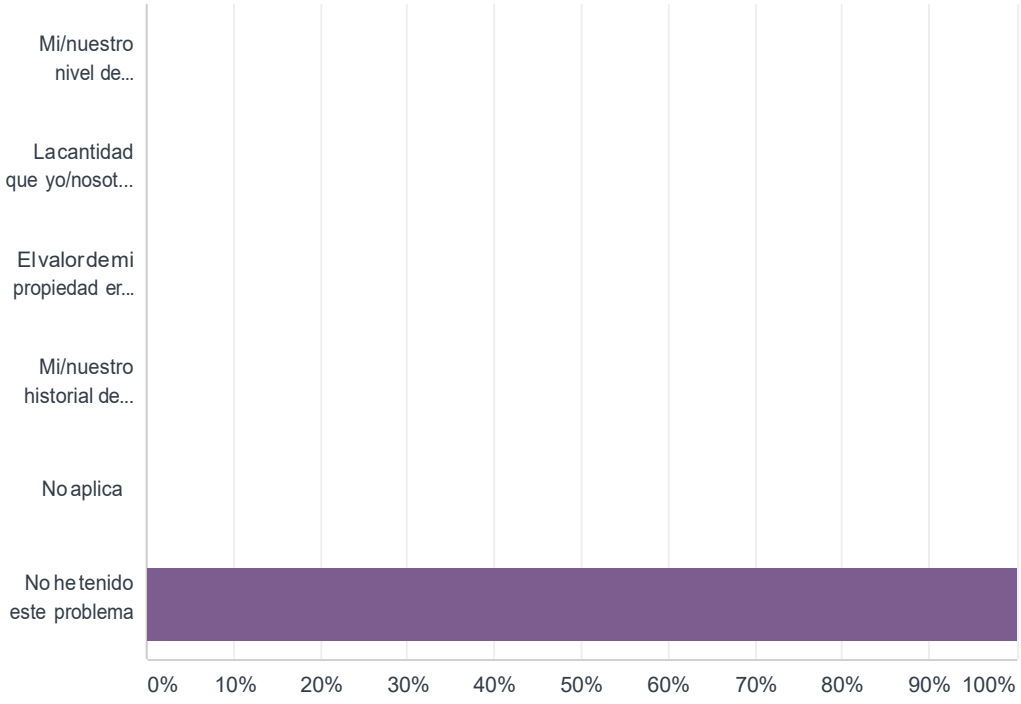
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Unidades que tengan cocinas y baños accesibles	0.00%	0
Edificios que tengan elevadores	0.00%	0
Mejoras de seguridad	0.00%	0
Viviendas ubicadas cerca de tránsito	0.00%	0
Viviendas ubicadas cerca de escuelas y parques	0.00%	0
No lo sé	100.00%	1
Total Respondents: 1		

Q47 22. Si alguna vez ha solicitado un préstamo hipotecario y su solicitud NO fue aprobada, ¿cuál de las siguientes razones le dieron? Por favor seleccione todo lo que pueda aplicar.

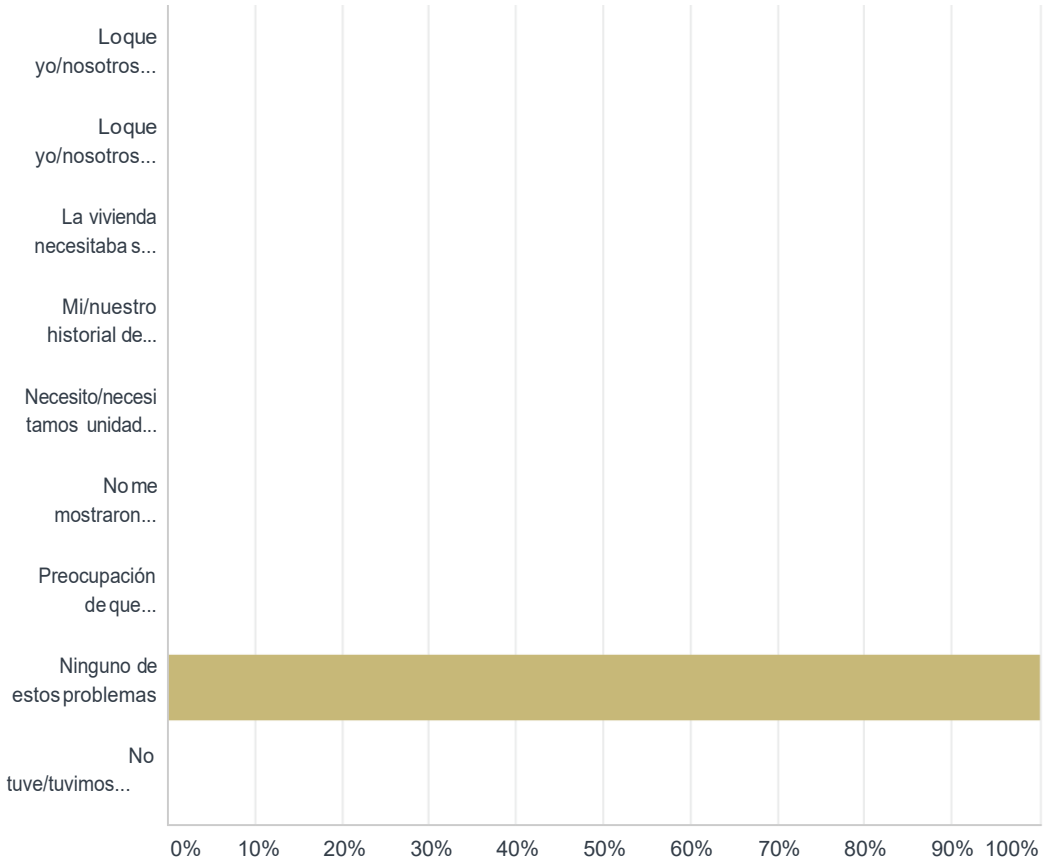
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Mi/nuestro nivel de ingresos es muy bajo	0.00%	0
La cantidad que yo/nosotros teníamos para el pago inicial era muy pequeña	0.00%	0
El valor de mi propiedad era muy bajo	0.00%	0
Mi/nuestro historial de crédito o puntaje(s) de crédito fue demasiado bajo	0.00%	0
No aplica	0.00%	0
No he tenido este problema	100.00%	1
Total Respondents: 1		

Q48 23. ¿Cuál de los siguientes problemas ha limitado las opciones de vivienda que pudo considerar en la Ciudad de Norwalk? Por favor no seleccione más de tres de las siguientes opciones

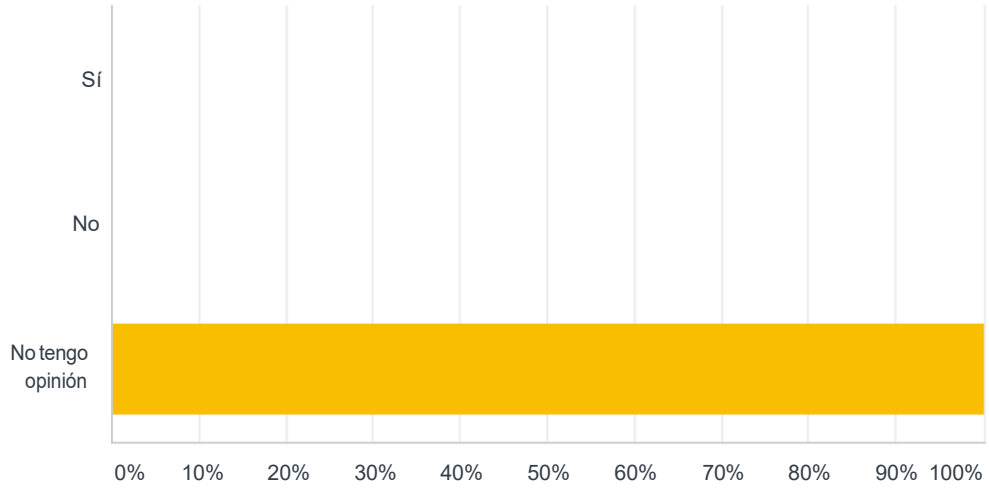
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Lo que yo/nosotros podríamos pagar de renta o de la hipoteca	0.00%	0
Lo que yo/nosotros teníamos para el depósito era demasiado bajo	0.00%	0
La vivienda necesitaba ser lo suficientemente grande para mi/nuestro hogar	0.00%	0
Mi/nuestro historial de crédito o puntaje de crédito fue demasiado bajo	0.00%	0
Necesito/necesitamos unidades que se adapten a una discapacidad (por ejemplo, accesibles para sillas de ruedas)	0.00%	0
No me mostraron viviendas en el/los vecindario(s) que queríamos	0.00%	0
Preocupación de que yo/nosotros no seríamos bienvenidos en el vecindario	0.00%	0
Ninguno de estos problemas	100.00%	1
No tuve/tuvimos problemas	0.00%	0
Total Respondents: 1		

Q49 24. ¿Cree que las regulaciones locales sobre el uso del terreno apoyan el desarrollo de viviendas asequibles?

Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Sí	0.00%	0
No	0.00%	0
No tengo opinión	100.00%	1
TOTAL		1

City of Montebello

Los Angeles County, California

Analysis of Impediments to Fair Housing Choice

DRAFT August 2020

EQUAL HOUSING OPPORTUNITY

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Appendix
A. Public Outreach

Chapter 1: Introduction

A. History of Montebello

Montebello is located east of Los Angeles in the San Gabriel Valley of Southern California. The City had its beginnings in 1899. Montebello was originally an agricultural community. In 1917, the City became a major contributor to oil production for the State of California. On October 16, 1920, Montebello was the 35th city to be incorporated in Los Angeles County.

The City's population estimated by the 2010 U.S. Census was 62,495 and the 2013-2017 American Community Survey 5-Year Estimates showed a further increase to 63,468, a 1.5 percent increase from 2010. The Department of Finance's E-5 Population and Housing Estimates for 2010 reported an increase in average household size from 3.27 persons per household in 2010 to 3.32 persons in 2019. This could indicate a trend towards larger families, or a trend towards extended families sharing living quarters. During this same period, the housing stock increased by 1.3 percent: 19,768 in 2010 to 20,048 units in 2019.

The City of Montebello has made a commitment to providing equal housing opportunities for residents of the City. As a recipient of the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) and HOME Investments Partnerships Program (HOME) in past years, the City of Montebello has worked to provide a higher quality of life in the City.

The City's housing stock growth has been, on average, similar to surrounding cities -- 3% to 7% and 4% for Montebello from 1990 to 2017[1]. Single-family homes make up nearly 60% of the housing stock. The multi-family share is approximately 40% of the total housing units. The median price of a housing unit in the City of Montebello was estimated at $496,600. Rents range from $1,008 for a one-bedroom apartment to $1,569 for a unit with three[3].

B. Legal Background

Fair housing is a right protected by both Federal and State of California laws. Among these laws, virtually every housing unit in California is subject to fair housing practices.

1) Federal Laws

The federal **Fair Housing Act of 1968** and **Fair Housing Amendments Act of 1988** (42 U.S. Code §§ 3601-3619, 3631) are federal fair housing laws that prohibit discrimination in all aspects of housing, including the sale, rental, lease, or negotiation for real property. The Fair Housing Act prohibits discrimination based on the following protected classes:

- Race or color
- Religion
- Sex
- Familial status
- National origin
- Disability (mental or physical)

---

[1] City of Montebello, Housing Element- 2016-2021.

[2] HdL, Coren & Cone, The City of Montebello Transfer of Ownership, (Los Angeles, CA, Los Angeles County 2017/18 - 2019/20 Secured Tax Roll And County Recorder, 2019), 2-5.

[3] MEDIAN GROSS RENT BY BEDROOMS, Universe: Renter-occupied housing units paying cash rent, 2013-2017 American Community Survey 5-Year Estimates.

Specifically, it is unlawful to:

- Refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, disability, familial status, or national origin.

- Discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, disability, familial status, or national origin.

- Make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, disability, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

- Represent to any person because of race, color, religion, sex, disability, familial status, or national origin that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available.

- For profit, induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, disability, familial status, or national origin.

Reasonable Accommodations and Accessibility: The Fair Housing Amendments Act requires owners of housing facilities to make “reasonable accommodations” (exceptions) in their rules, policies, and operations to give people with disabilities equal housing opportunities. For example, a landlord with a "no pets" policy may be required to grant an exception to this rule and allow an individual who is blind to keep a guide dog in the residence. The Fair Housing Act also requires landlords to allow tenants with disabilities to make reasonable access-related modifications to their private living space, as well as to common use spaces, at the tenant’s own expense. Finally, the Act requires that new multi-family housing with four or more units be designed and built to allow access for persons with disabilities. This includes accessible common use areas, doors that are wide enough for wheelchairs, kitchens and bathrooms that allow a person using a wheelchair to maneuver, and other adaptable features within the units.

HUD Final Rule on Equal Access to Housing in HUD Programs: On March 5, 2012, HUD published the Final Rule on “Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity.” It applies to all McKinney-Vento-funded housing programs, as well as to other housing assisted or insured by HUD. The rule creates a new regulatory provision that generally prohibits considering a person’s marital status, sexual orientation, or gender identity (a person’s internal sense of being male or female) in making housing assistance available.

2) California Laws

The State Department of Fair Employment and Housing (DFEH) enforces California laws that provide protection and monetary relief to victims of unlawful housing practices. The **Fair Employment and Housing Act** (FEHA) (Government Code Section 12955 et seq.) prohibits discrimination and harassment in housing practices, including:

Advertising
Application and selection process
Unlawful evictions
Terms and conditions of tenancy

Privileges of occupancy
Mortgage loans and insurance
Public and private land use practices (zoning)
Unlawful restrictive covenants

In addition, the FEHA contains similar reasonable accommodations and accessibility provisions as the federal Fair Housing Amendments Act.

The **Unruh Civil Rights Act** provides protection from discrimination by all business establishments in California, including housing and accommodations, because of age, ancestry, color, disability, national origin, race, religion, sex, and sexual orientation. While the Unruh Civil Rights Acts specifically lists "sex, race, color, religion, ancestry, national origin, disability, or medical condition" as protected classes, the California Supreme Court has held that protections under the Unruh Civil Rights Act are not necessarily restricted to these characteristics.

FEHA protected categories:

Race or color
Ancestry or national origin
Sex
Marital status
Source of income
Sexual orientation
Gender identity/expression
Genetic information
Familial status *(households with children under 18 years of age)*
Religion
Mental/physical disability
Medical condition
Age

Furthermore, the **Ralph Civil Rights Act** (California Civil Code Section 51.7) forbids acts of violence or threats of violence because of a person's race, color, religion, ancestry, national origin, age, disability, sex, sexual orientation, political affiliation, or position in a labor dispute. Hate violence can be: verbal or written threats; physical assault or attempted assault; and graffiti, vandalism, or property damage.

The **Bane Civil Rights Act** (California Civil Code Section 52.1) provides another layer of protection for fair housing choice by protecting all people in California from interference by force or threat of force with an individual's constitutional or statutory rights, including a right to equal access to housing. The Bane Act also includes criminal penalties for hate crimes; however, convictions under the Act are not allowed for speech alone unless that speech itself threatened violence.

And, finally, **California Civil Code Section 1940.3** prohibits landlords from questioning potential residents about their immigration or citizenship status. Landlords in most states are free to inquire about a potential tenant's immigration status and to reject applicants who are in the United States illegally. In addition, this law forbids local jurisdictions from passing laws that direct landlords to make inquiries about a person's citizenship or immigration status.

In addition to these acts, **Government Code Sections 11135, 65008, and 65580-65589.8** prohibit discrimination in programs funded by the State and in any land use decisions. Specifically, recent changes to State law require local jurisdictions to address the provision of housing options for special needs groups, including:

- Housing for persons with disabilities
- Housing for homeless persons, including emergency shelters, transitional housing, and supportive housing
- Housing for extremely low-income households, including single-room occupancy units
- Housing for persons with developmental disabilities

C. Fair Housing Defined

Equal access to housing is fundamental to each person being able to meet essential needs and to the pursuit of personal, educational, employment, and other goals. In recognition of equal housing access as a fundamental right, the governments of the United States and the State of California have both established fair housing as a right protected by law.

Federal fair housing laws prohibit discrimination in the sale, rental, lease, or negotiation for real property based on race, color, religion, sex, national origin, familial status, and disability. The California fair housing laws are built on the federal laws and add marital status, ancestry, source of income, sexual orientation, and "any arbitrary factor" as protected categories under the laws.

Many factors in the public and private domains impede equal access to housing or fair housing choice. Impediments to fair housing choice are:

> *Any actions, omissions, or decisions taken because of race, color, ancestry, national origin, religion, sex, disability, marital status, familial status, source of income, sexual orientation, or any other arbitrary factor which restrict housing choices or the availability of housing choices; or*
>
> *Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, ancestry, national origin, religion, sex, disability, marital status, familial status, source of income, sexual orientation, or any other arbitrary factor.*[4]

To affirmatively promote equal housing opportunity, a community must work to remove or to mitigate impediments to fair housing choice. The City of Montebello is dedicated to providing fair housing opportunities to all residents, to assuring compliance with all applicable laws throughout the City, and to conducting its business fairly and impartially.

1) Analysis of Impediments (AI) to Fair Housing Choice Report Description

The AI report is an assessment of how laws, governmental policies, real estate practices, and local conditions may affect the location, availability, and accessibility of housing. The analysis of their impact on housing choice can highlight areas where corrective actions might broaden the housing options of persons protected by fair housing laws. The analysis includes examining impediments and barriers to fair housing choice:

> *An impediment to fair housing choice is any action, omission, or decision that is intended to or has the effect of restricting a person's choice of housing on the basis of race, color, religion, sex, disability, familial status, or national origin. Such a limitation to fair housing choice constitutes housing discrimination.*
>
> *This AI defines barriers to housing choice as factors, such as income level and housing supply that limit a person's choice of housing.*[5]

This AI adheres to the recommended scope of analysis and format in the Fair Housing Planning Guide developed by the U.S. Department of Housing and Urban Development (1996).

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[4] U.S. Department of Housing and Urban Development, Fair Housing Planning Guide, March 1996.
[5] U.S. Department of Housing and Urban Development, Fair Housing Planning Guide, March 1996.

a) Purpose of the Analysis of Impediments to Fair Housing

The purpose of an AI is to review conditions in the jurisdiction that may impact the ability of households to freely choose housing and to be treated equally, without regard to race, ethnicity, religion, gender, national origin, source of income, age, disability, or other protected status. The AI reviews the general state of fair housing, the enforcement of fair housing law, efforts to promote fair housing, access to credit for the purpose of housing, and general constraints to the availability of a full range of housing types.

An AI also examines the affordability of housing in the jurisdiction with an emphasis on housing affordable to households with annual incomes classified as low-income. (Low-income is defined as equal to or less than 80% of the adjusted area median family income (AMI) as most recently published by the U.S. Department of Housing and Urban Development. For Montebello, 80 percent of the AMI is $83,500 for a family of four, according to the 2019 income limits issued by HUD.[6])

The document has three major goals:

- To provide current conditions that may impact fair housing choice.
- To review the impacts of policies and practices and how they may impact fair housing choice and the provision of housing, specifically affordable housing and housing for special needs households.
- To identify impediments to fair housing choice and actions the City will take to remove those impediments or to mitigate the impact those impediments have on fair housing choice.

Fulfilling these goals includes the following:

- A review of the demographics, laws, regulations, private market and public sector, and administrative policies, procedures, and practices of the City of Montebello.
- An assessment of how those laws affect the location, availability, and accessibility of housing.
- An assessment of conditions, both public and private, affecting fair housing choice.

Pursuant to CDBG regulations [24 CFR Subtitle A §91.225(a)(1)], to receive CDBG funds, a jurisdiction must certify that it "actively furthers fair housing choice" through the following:

- Completion of an AI;
- Actions to eliminate identified impediments;
- Maintenance of fair housing records.

2) Organization of the Report

This report is divided into eight sections, including the executive summary and this introduction.

Executive Summary – Identifies the intent and purpose of the report, provides a brief description of the process, and summarizes the key findings.

Introduction – Explains the purpose of the AI report, defines fair housing, lists the data and funding sources for the report, and describes the public participation process.

Community Participation Process – Provides a description of public outreach efforts to obtain community input on community needs and possible impediments,

[6] FY 2019 Income Limits Summary for the County of Los Angeles, U.S. Department of Housing and Urban Development, May 2019.

Community Profile – Describes the housing and population characteristics of the City of Montebello. Population characteristics include income, age, race, ethnicity, familial status, and disability. Employment characteristics are also included. Housing characteristics include unit type and tenure, housing cost, and overcrowding. The geographic distribution of households by income, race, and ethnicity is also examined.

Public Policies – Reviews public policies and practices to determine the potential impact on fair housing and the provision of an adequate number and appropriate types of housing.

Private Sector Practices – Assesses the general level of fair housing and housing rights awareness in the private sector. Specifically, rental housing, residential real estate sales, and mortgage lending are evaluated. The analysis relies on an array of tools including interviews with stakeholders and the review of local advertisements, published data on mortgage lending, and reports of unfair housing practices.

Assessment of Fair Housing Practices – Evaluates existing public and private programs, services, practices, and activities that aim to assure fair housing in the City. This section describes the City's recent actions to promote fair housing, provide affordable housing, and remove barriers to affordable housing. In order to identify actions taken to affirmatively further fair housing, this section reviews The City of Montebello's most recent Consolidated Plan, Annual Action Plans, and Consolidated Annual Performance and Evaluation Reports (CAPERs).

Five-Year Progress – Summarizes impediments identified in 2015 and actions taken to accomplish objectives and goals used in addressing the impediments identified in the City's previous AI.

Conclusions and Recommendations for Fair Housing – Summarizes the findings regarding fair housing issues in the City and provides recommendations for furthering fair housing. In this section, the reader can find the impediments identified and the actions proposed to address those impediments.

3) Data Sources

In preparation of AI report, the following data sources were consulted.

American Community Survey (ACS) 2013-2017 - 5-Year Estimates, U.S. Census Bureau. ACS data are obtained from a nationwide survey on demographic, social, economic, and housing information conditions. The 5-Year Estimate includes 60 months of collected data for all population size areas. It utilizes the largest sample size of all the Survey forms (1-Year, 3-Year and 5-Year Estimates) and is the most reliable. It is, however, the least current of the Survey forms. The 5-Year Estimate is best utilized when precision is more important than currency, and when examining tracts and other smaller geographies.

2000 and 2010 Decennial Census, U.S. Census Bureau. The Decennial Census provides comprehensive data describing demographic and housing characteristics.

California Department of Finance (DOF). The Department of Finance provides estimates on current population and housing stock based on housing construction and demolition data submitted annually by local jurisdictions.

Employment Development Department (EDD). The Employment Development Department provides current and projected labor market data.

Comprehensive Housing Affordability Strategy (CHAS). Developed by the Census Bureau for HUD, the CHAS database contains information on low- and moderate-income households, as well as housing problems (i.e., cost burden, overcrowding, and substandard conditions). In August 2019, HUD posted CHAS data based on the 2012-2016 ACS. The five-year (2013-2017) data are used by HUD and state

and local governments to examine housing needs and make funding decisions. The data are available at the state, county, place, and census-tract level.

U.S. Bureau of Labor Statistics. The U.S. Bureau of Labor Statistics provides labor market data including data on employment, wages, and earnings.

Chapter 2: Public Participation

City Staff worked with an outside consultant, Avant Garde, to prepare and facilitate public engagement program and guide the AI planning process. The City and its consultant undertook a consultation and public participation process as well as data research and analysis required to complete the AI report.

1) Public Participation Activities and AI Review

Work on the AI was completed concurrently with drafting the 2020-2025 City of Montebello Consolidated Plan. A community engagement program, as originally planned, was to include:

- Stakeholder One-On-One Interviews
- Community Needs Survey
- Community Meetings (2)
- Public Hearing

The following sections of this Chapter details each activity. As a result of the participation activities, summaries will be prepared and placed in the appendix, as well as detailed in this chapter. City staff and other representatives as deemed appropriate will be asked to provide comments. A draft of the AI report showing critical community data trends was completed, and provided to the City in December 2019. The City will create an approval process that includes public review, documentation of public comments, and Council approval. All public outreach commentary will be recorded into the AI report. All future public meetings, hearings, and a 30-day public review period will be duly advertised in advance.

1) Stakeholder One-On-One Interviews

The planning process shall include several stakeholder interviews with City staff, government officials and other nonprofit social service agencies doing business in the City. A summary will be prepared and analyzed integrated into the AI and Consolidated Plan policies and recommendations. A Stakeholder Summary will be included in Appendix A – Public Outreach. Common interview questions include:

a) What do you feel are your agency's (or City) top priorities?
b) What do you feel are the most common or pressing housing problem?
c) How do you feel we can overcome these problems?
d) How do you feel local organizations/service providers can better support your priorities?
e) In what ways are low- and moderate-income families vulnerable to natural hazards?
f) Do you feel there is local support for broadband access and technical literacy? If not, what support is missing?
g) How do you feel the City should spend their annual CDBG allocation?

Stakeholder Concerns:

- **Homelessness**
- **Preservation of existing affordable housing**
- **Accessible workforce housing**
- **Economic development/revitalization**
- **Transitional Housing**
- **Supportive Housing**
- **Financial Education**
- **Multi-Family Housing**

2) Community Needs Survey

A Community Needs Survey was conducted for both the AI and the 2020-2025 Consolidated Plan and 2020 AI planning process. In November 2019, the City initiated an on-line survey made available on their website and emailed to community members, stakeholders and with social services associated with the City. The survey was conducted to solicit the community's input on the City's most pressing needs, particularly in the areas of housing, community facilities, homelessness, neighborhood improvements,

community services, and affordable and fair housing. Respondents identified the top issues that limit housing options and affordability in the City. The Community Needs Summary is included in Appendix A – Public Outreach.

Community Needs Survey Summary

- Park and Recreational Programs
- Neighborhood Crime Prevention Programs
- Programs for at risk youth
- Childcare Services

3) Public Meeting and Hearing

As part of the public engagement process, a public meeting will be conducted to inform the public on the AI planning process and solicit public input on community housing and housing discrimination. A public meeting summary will be included (See Appendix A – Public Outreach).

What community facilities are most needed?

- Parks and Recreational Facilities
- Youth Centers
- Neighborhood Community Center

What homeless housing services are most needed?

- Homeless Prevention
- Emergency Shelter
- Transitional Housing

Community & Economic Development Needs:

- Street Improvements
- Attract Job Generating Businesses
- Childcare Services and Facilities

Overarching Factors that lead to homelessness:

- Lack of Adequate Income
- Lack of Affordable Housing
- Disability
- Discrimination

A 30-day public review period to receive any outstanding comments from agencies and the general public is required as part of the public participation program. A public hearing will be held after the 30-day public comment period in City Council chambers at a regularly scheduled Council meeting in 2020. All public comments and any discussion items raised during the public hearings will be directly addressed.

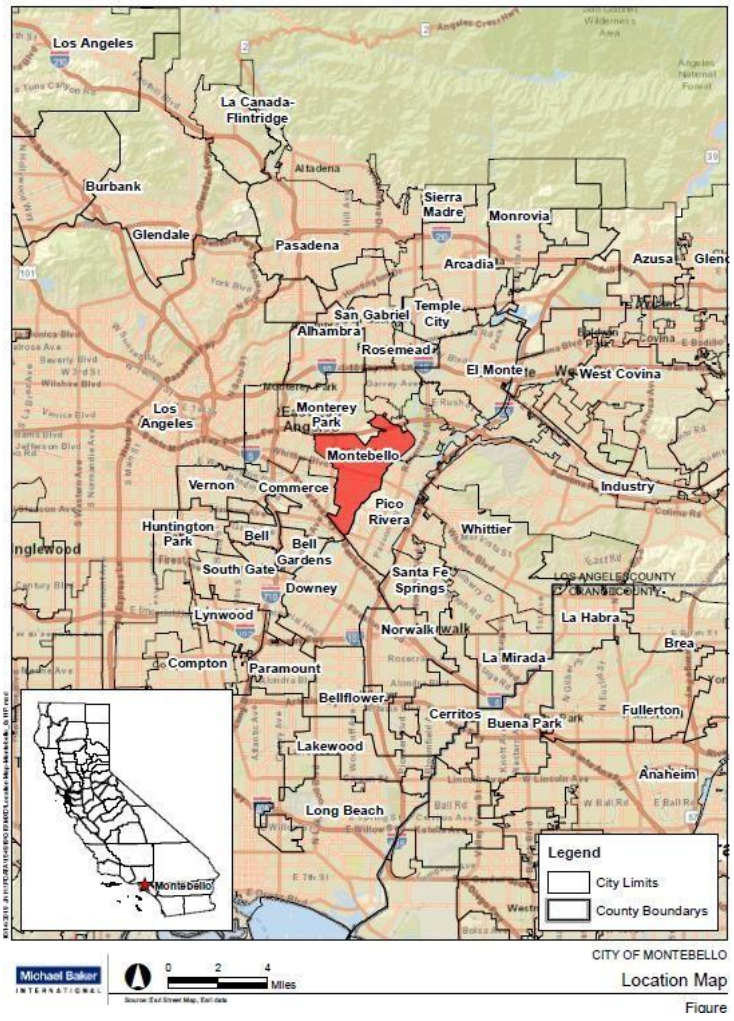
Chapter 3: Community Profile

A. Locational Context

Understanding the social, racial, economic, and other characteristics of a population, as well as how those characteristics change over time, is crucial to evaluating current and future housing needs. Analyzing demographic trends can indicate places or people who may not be served by the housing market and who need assistance or intervention.

This chapter will explore demographic differences that affect housing choice among residents of the City. It will provide context to existing conditions that reflect effects of past policy decisions. The data will pinpoint issues to inform strategies for broadening the availability of housing opportunities for residents. The data and analysis for this section will explore the City's current setting compared with the County to provide regional context.

Figure 1 – Location Map



B. Demographic Profile

This section will explore demographic differences that may ultimately affect housing choice and affordability.

1-2) Population

Over the last decade, the City's population has not fluctuated much. It has shifted from 62,495 in 2010 to 62,636 in 2018. The population estimates for 2015 and 2018 are projections based on the 2010 census data. The fluctuation that seems to be occurring may be caused by the individual agencies methodology for creating projections.

Table 1: City of Montebello: Population Trends - 1990 to 2018			
Year	**Population**	**Growth**	**Growth Rate**
1990	59,564	6635	1.19%
2010	62,495	345	0.67%
2015	63,457	77	0.12%
2018	62,632	-284	-0.45%

Source: 2018 Annual Estimates: U.S. Census.

Table 2: Los Angeles County: Population Trends - 1990 to 2018			
Year	**Population**	**Growth**	**Growth Rate**
1990	8,863,164	1,385,661	-0.13%
2010	9,822,433	959,269	0.48%
2015	10,097,037	48,629	10.82%
2018	10,105,518	(13,241)	18.53%

Source: 2018 Annual Estimates: U.S. Census; 2013-2017 ACS 5-Year Survey

3-4) Age Distribution

Age groups tend to differ in housing needs and preferences that may be related to lifestyles, family situation, or income differences. The largest majority of the City and County's population is between the ages of 25-44 and 19-year-old and younger population. The elderly age group has grown slightly from the year 2010 from 13.40% to 14.70% in the City.

Table 3: Age Characteristics				
Age	**City**	**% of Total Population**	**County**	**% of Total Population**
19 and under	15,794	24.88%	2,547,242	25.50%
20-24	4,748	7.48%	753,629	7.50%
25-44	18,523	29.18%	2,991,750	29.60%
45-64	15,100	23.79%	2,545,117	25.2%
65 or older	9,303	14.66%	1,264,984	12.5%
Total	**63,468**	**100.00%**	**10,105,722**	**100.00%**

Source: 2013-2017 ACS 5-Year Estimate

Table 4: % Elderly Population		
Age	**2010**	**2017**
65-74	6.00%	4.70%
75-84	5.30%	4.50%
85 and older	2.10%	1.40%
Total	13.40%	14.70%

2013-2017 ACS 5-Year Estimates

5) Language Spoken

Housing may not be refused based on a resident's birthplace or ancestry, nor can housing providers take advantage of a person's inability to read, write, speak, or understand English to deny access. Those with limited English proficiency (LEP) can face unique challenges in meeting their housing needs, so recipients of federal financial assistance are required to provide access to programs to LEP citizens. This condition applies to HUD funds that are allocated to the City.

English speaking residents in the City make up only 28.91% of the population, and 22.43% of those residents who speak another language speak English less than “very well”. Hispanic and Latino population make up 77.65% of the City’s total population, however, the Spanish speaking sector of this population make up only 57.65%.

Table 5: Language Spoken at Home		
	Number	%
Population 5 years and over	59,228	100%
-English only	17,124	28.91%
-Language other than English	42,104	71.09%
Speak English less than "very well"	13,283	22.43%
-Spanish	34,142	57.65%
Speak English less than "very well"	20,859	35.22%
-Other Indio-European languages	1988	3.36%
Speak English less than “very well”	951	1.61%
-Asian and Pacific Island languages	5,821	9.83%
Speak English less than "very well"	2,466	4.16%
-Other languages	153	0.26%
Speak English less than "very well"	102	0.17%

Source: 2013-2017 ACS 5-Year Estimates

6) Race/Ethnicity

Hispanic (of any race) population makes up the majority of the City’s resident base standing at 77.65%. The Asian population is the second highest group and makes up approximately 12.77% and the Non-Hispanic White (White Only) population making up 7.32%. The Hispanic/Latino group by far is the most prominent ethnic group in the City.

Table 6: Race & Ethnicity				
	2010		2017	
	#	%	#	%
Total Population	62,416	100.00%	63,468	100.00%
White alone	5,510	8.83%	4,646	7.32%
Black or African American alone	625	1.00%	767	1.21%
American Indian and Alaska Native alone	244	0.39%	152	0.24%
Asian alone	6,570	10.53%	8,107	12.77%
Native Hawaiian and Other Pacific Islander alone	11	0.02%	44	0.07%
Some other race alone	105	0.17%	0	0.00%
Two or more races:	267	0.43%	472	0.74%
Hispanic or Latino (of any race)	49,084	78.64%	49,280	77.65%

Source: 2006-2010; 2013-2017 ACS 5-Year Estimates

7-10) Household Type

Households in the City consists of nearly 70% family households that have an average family size of 3.67. Married families represent 47.8% of family households. Many households also have children under the age of 18, consisting of 30.0% of households. Female-headed households in the City are estimated

at 14.8%, with 44.9% of these households containing their own children under the age of 18. Non-Family households with persons living alone make up 12.3% of total households, which matches the percentage of non-family houses headed by individuals over the age of 65. The largest majority of the households in the City are renter-occupied (52%), with 41% owner-occupied, leaving 7% of housing units vacant.

Table 7: Households By Type	
Total Households	**27,238**
Family households	19,012
With own children under 18 yrs	6,790
Married couple with family	9,088
With own children under 18 yrs	4,313
Female householder, no husband present	4,031
With own children under 18 yrs	1,811
Nonfamily households	4,242
Householder living alone	3,350
Householder 65 years and over	3,350
Households with individuals under 18 years	8,168
Households with individuals over 65 years	6,169
Average household size	3.27
Average family size	3.67

Source: 2013-2017 ACS 5-Year Estimates

Table 8: Renter vs. Owner-Occupied		
Number of Households		**27,238**
Number of Housing Units		**21,258**
Households	Number of Units	Percent of Housing Units
Owner-Occupied	8,796	41% of total housing units
Renter-Occupied	11,048	52% of total housing units
Vacant Housing Units	1,414	7% of total housing units

Source: 2013-2017 ACS 5-Year Estimates

Most homes in the City contain 2 or 3 bedrooms (64%), of which 53.0% rented and 47.0% owned. with 80% of which are owner-occupied. A majority of the owned units (68%) and rental units (61%) fall within this 2 or 3 bedroom category. 33% of the dwelling units are located in apartment buildings with 10 or more units, followed by detached single family homes which comprise 23% of dwelling units.

Table 9: Units Per Tenure						
	Total Occupied		**Owners**		**Renters**	
Property Type	**Number**	**%**	**Number**	**%**	**Number**	**%**
No bedroom/Studio	563	3%	67	1%	496	4%
1 bedroom	3,536	18%	187	2%	3,349	30%
2 or 3 bedrooms	12,752	64%	5,991	68%	6,761	61%
4 or more bedrooms	2,993	15%	2,551	29%	442	4%
Total	**19,844**	100%	**8,796**	100%	**11,048**	100%

Source: 2013-2017 ACS 5-Year Estimate

Table 10: Units Per Property						
	Total Occupied		Owners		Renters	
Property Type	Number		Number	%	Number	%
1-unit detached structure	10,189	51%	7,641	87%	2,548	23%
1-unit, attached structure	1,625	8%	479	5%	1,146	10%
2 apartments	563	3%	82	1%	481	4%
3 or 4 apartments	1,983	10%	76	1%	1,907	17%
5 to 9 apartments	1,309	7%	149	2%	1,160	10%
10 or more apartments	3,844	19%	239	3%	3,605	33%
Mobile home or other type of housing	331	2%	130	1%	201	2%
Total	**19,844**	**100%**	**8,796**	**100%**	**11,048**	**100%**

Source: 2013-2017 ACS 5-Year Estimate

11-15) Special Needs Populations

The population in the City is aging at a very slow rate, with the population of people 65 or older increasing by 1.30% over the past 7 years. The number of large households of five or more people made up roughly 15.34% of households, down from 19.30% in 2000. Single parent households makeup an estimated 29% of households, which is higher than the County rate at 22%. According to the 2013-2017 ACS data, 13.06% of the City's population is living with disabilities of which, 85.08% are elderly. The total homeless population in the City is estimated to be 170 unsheltered persons on a given night in 2020. Point-In-Time Counts are performed annually for Service Planning Area 7 (SPA 7) in January. SPA 7 combines the City's sheltered and unsheltered homeless population with surrounding cities. Exactly 50% live in vehicles (RVs, Campers, Vans, Cars), while the other half lives either on the street or in makeshift shelters.

Table 11: % Elderly Population		
Age	**2010**	**2017**
65-74	6.00%	4.70%
75-84	5.30%	4.50%
85 and older	2.10%	1.40%
Total	13.40%	14.70%

Source: 2013-2017 ACS 5-Year Estimates

Table 12: Large Households in 2000 and 2010				
	2000		2010	
	Number	%	Number	%
5 persons households	1,987	10.48%	1,704	8.59%
6 persons households	1,051	5.54%	769	3.88%
7 or more persons households	622	3.28%	571	2.88%
Total	**3,660**	**19.30%**	**3,044**	**15.34%**

Source: 2010 and 2013-17 ACS

Table 13: PIT Count - City of Montebello, SPA 7			
Homeless Categories	**2018**	**2019**	**2020**
Total:	342	158	170
Unsheltered	334	158	170
Sheltered	8	0	0
Persons living in:			
Street	113	48	60
Makeshift shelters	35	31	47
Cars	42	15	18
Vans	49	23	20
RVs, campers	95	41	24
Tents	N/A	N/A	1

Source: LAHSA.org

Table 14: Persons With Disabilities			
Subject	**Estimate**		
	Total	**With a disability**	**Percent with a disability**
Total civilian noninstitutionalized population	63,160	8,248	13.06%
SEX			
Male	30,641	3,775	12.32%
Female	32,519	4,473	13.76%
RACE AND HISPANIC OR LATINO ORIGIN			
White alone	37,490	5,631	15.02%
Black or African American alone	936	116	12.39%
American Indian and Alaska Native alone	504	92	18.25%
Asian alone	8,332	1,094	13.13%
Native Hawaiian and Other Pacific Islander alone	68	0	0.00%
Some other race alone	14,142	963	6.81%
Two or more races	1,688	352	20.85%
White alone, not Hispanic or Latino	4,500	1,168	25.96%
Hispanic or Latino (of any race)	49,188	5,856	11.91%
AGE			
Under 5 years	4,240	33	0.78%
5 to 17 years	9,853	410	4.16%
18 to 34 years	16,057	804	5.01%
35 to 64 years	23,921	3,143	13.14%
65 to 74 years	4,580	1,396	30.48%
75 years and over	4,509	2,462	54.60%

Source: Source: 2013-2017 ACS 5-Year

Table 15 Single Parent Households		
	City	**County**
Total Households	19,844	3,295,198
# of Disabled Households	5666	726,298
% of Single Parent Households	29%	22.04%

Source: 2013-2017 ACS 5-Year Estimate

C. Housing Profile

Demographic trends provide an important context for identifying impediments to fair housing choice. Ultimately, though, that context must be applied to home ownership and rental patterns. Settlement patterns are closely related to housing market conditions, as the relationship between price and income can influence housing choice, as well as the price and type of supply available in different neighborhoods.

By analyzing the costs, affordability, physical characteristics, location, and other factors of the City's housing stock, in combination with the conclusions already drawn from other sources of data, impediments to fair housing choice can be identified, scrutinized, and, eventually, mitigated. This chapter will explore baseline housing market conditions through the lens of members of the protected classes, identifying and contextualizing barriers that may exist to a household's choice to live in a given area of the City.

1) General Inventory Trends

As of 2017, there were an estimated 19,844 occupied dwelling units in the City, 55.7% of which were renter-occupied. There are a range of affordable housing options, with the number of affordable units increasing since 2010. In the last 7 years however, the number of affordable units between $500-$999 per month has decreased by 17.58%, while the total number of units between $1,000-$1,499 and $1,500-$1,999 increased by 6.40% and 7.19% respectively. In addition, there are now 484 affordable units over $2000 per month, when none existed in 2010. From 2010 to 2017 there was an overall increase of 1,284 housing units.

TABLE 16: Affordable Housing Units - Rental

	2010		2017		Percent Change
	#	%	#	%	%
Unit Price:					
Less than $500	576	6.07%	600	5.57%	+4.17%
$500-$999	3,679	38.79%	2,284	21.21%	-37.92%
$1,000-$1,499	4,230	44.60%	5,492	51.00%	+29.83%
$1,500-$1,999	1,000	10.54%	1,909	17.73%	+90.90%
$2,000-$2,499	-	-	328	3.05%	N/A
$2,500-$2,999	-	-	143	1.33%	N/A
$3,000+	-	-	13	0.12%	N/A
Total	9,485	100.00%	10,769	100.00%	+13.54%

Source: 2006-2010 ACS 5-Year Estimate; 2013-2017 ACS 5-Year Estimate

2) Housing Conditions

Table 16 shows us the typical age of the rental and owner-occupied units in the City. Most of the City's homes, 80.14%, were built between 1940 and 1979. Roughly 13.55% of the City's homes were built after 1980. Vacancy rates are low in the City, only 5.4% of all housing units that are or could be available for rent or purchase (see Table 17), although this has risen slightly since 2010, up from 4.7% that year. In prior years, CDBG and HOME funds are primarily used for large and small housing rehab and code compliance projects. The City currently has a 5.4% vacancy rate, and according to the Rental Property Reporter, dated September 2019, a healthy vacancy rate for a City is anywhere from 5-8%.

Table17: Housing Unit Age						
Year Unit Built	**Owner-Occupied**		**Renter-Occupied**		**Occupied**	
	Number	**%**	**Number**	**%**	**Number**	**%**
2014 or later	15	0.17%	8	0.07%	23	0.11%
2010 to 2013	39	0.44%	39	0.35%	78	0.37%
2000 to 2009	88	1.00%	428	3.87%	516	2.43%
1980 to 1999	643	7.31%	1,414	12.80%	2,262	10.64%
1960 to 1979	3,263	37.10%	4,363	39.49%	8,297	39.03%
1940 to 1959	4,161	47.31%	4,105	37.16%	8,741	41.12%
1939 or earlier	587	6.67%	691	6.25%	1341	6.31%
Unaccounted units					1,414	
Total	8,796	100%	11,048	100.00%	**21,258**	100.00%

Source: 2013-2017 ACS 5-Year Estimates

Table 18: Housing Vacancy		
	Units Vacant	**%**
Total Vacant Units City-Wide:	**1,076**	**100.00%**
For rent	885	82.25%
Rented, not occupied	60	5.58%
For sale only	21	1.95%
Sold, not occupied	73	6.78%
For seasonal, recreational, or occasional use	0	0.00%
For migrant workers	0	0.00%
Other vacant	37	3.44%
Total Housing Units (vacant & nonvacant)	**19,844**	

Source: 2013-2017 ACS 5-Year Estimates

3) Housing Costs and Affordability

The 2016-2021 City Housing Element states “The majority of the residential areas in the City are built out. Most of the City’s housing development occurs through land recycling and housing redevelopment. Given the scarcity of vacant lots, new residential development will continue to replace existing buildings. The City has approved re-zoning from lower to higher density residential use and has facilitated the development of housing by re-zoning parcels from commercial or industrial to higher density residential uses. These actions have helped to expand the housing stock. On a case-by-case basis, the City will continue to expand housing opportunities by reviewing the re-zoning of sites.” In light of these conditions and trends, the City is focused on providing a diversity of housing options by:

- Attaining a housing supply adequate to meet the needs projected for the City.
- Providing a variety of rental and homeownership housing opportunities for all income groups of the City

Since 2016, monthly rental rates in the City have steadily increased for 1, 2, 3, and 4-bedroom apartments, however, rates for all 3-bedroom units have increased at a slightly higher pace; 8% compared to 3% or 4% in other categories (Table 19). According to HUD sources, Fair Market Rents, as shown below, are slightly higher than these rents, meaning Montebello housing is relatively affordable for Los Angeles County. June, July, and August are housing peak sales months for the region (Table 23).

Home sale prices have increased 17% in the Los Angeles Metropolitan area from an average of $446,660 in 2015 to $546,660 in 2019 during peak sales season. In the Los Angeles Metropolitan area, a home is on the market or "For Sale" an average of 27-30 days (Table 24). In Los Angeles City, homes tend to sell slightly quicker, averaging 21-25 days on the market. Over the past 7 years, there has been a spoke to housing values. The median housing value for the City has risen 24.68% since 2010. This may be a problem for the City of Montebello since median household income has not kept pace. In addition, this housing value spike has far outpaced any increase in median gross rent, which has only jumped by 0.33% since 2010 (Table20).

Figure 2 – Areas of Low/Mod Income Concentration

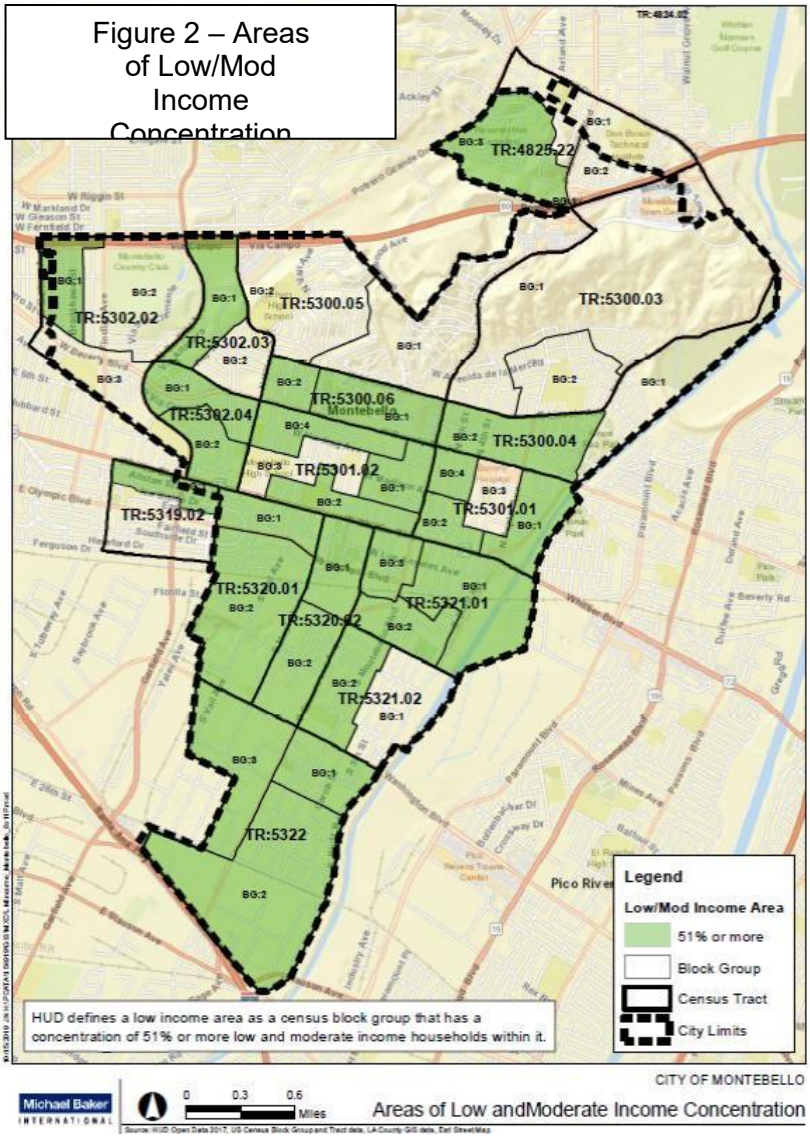


Table 19: Rent % Change in a 1-Year Timeline			
	2016	2017	Percent Change
	#	#	%
1 bedroom	$977	$1,008	3%
2 bedrooms	$1,241	$1,289	4%
3 bedrooms	$1,457	$1,569	8%
4 bedrooms	$2,050	$2,135	4%

Source: ACS 2012-2016 & 2013-2017

Table 20: Fair Market Rent	
	Rent Cost/Month
1 bedroom	$ 1,195.00
2 bedrooms	$ 1,545.00
3 bedrooms	$ 2,079.00
4 bedrooms	$ 2,303.00

Source: HUD 2017 Fair Market Rent

Tables 21 and 22 show median housing and rent values and what is affordable in the City. For a family of four who make less than 30% of the median household income, an affordable rent is $676 per month. Table 21 shows the median gross rent in the City is $1,211 per month. The gap of affordability is $534. For a family of four who makes between 50% and 80% of the median household income, an affordable home is $205,000. Table 21 shows that the median housing value in 2017 is $496,600. The gap of affordability is $291,600.

Table 21: Changes in Value, Rent, and Income			
	2010	2017	% Change
Median Housing Value	$456,500	$496,600	8.78%
Median Gross Rent	$1,045	$1,211	15.89%
Median Household Income	$50,881	$50,312	-1.12%

Source: 2006-2010 ACS 5-Year Estimates; 2013-2017 ACS 5-Year Estimates

Table 22: Affordability Rent and Mortgage Combined				
	1 Person	2 Persons	3 Persons	4 Persons
Extremely Low (0%-30%)				
Annual Income	$ 18,950	$ 21,650	$ 24,350	$ 27,050
Monthly Income	$ 1,579	$ 1,804	$ 2,029	$ 2,254
Affordable Purchase Price	$ 51,400	$ 59,900	$ 68,500	$ 77,200
Affordable Monthly Rent	$ 474	$ 541	$ 609	$ 676
Very Low (30%-50%)				
Annual Income	$ 31,550	$ 36,050	$ 40,550	$ 45,050
Monthly Income	$ 2,629	$ 3,004	$ 3,379	$ 3,754
Affordable Purchase Price	$ 88,500	$ 102,000	$ 114,000	$ 128,000
Affordable Monthly Rent	$ 789	$ 901	$ 1,014	$ 1,126
Low (50%-80%)				
Annual Income	$ 50,500	$ 57,700	$ 64,900	$ 72,100
Monthly Income	$ 4,208	$ 4,808	$ 5,408	$ 6,008
Affordable Purchase Price	$142,000	$ 162,000	$ 182,000	$ 205,000
Affordable Monthly Rent	$ 1,263	$ 1,443	$ 1,623	$ 1,803

Source: 2019 HUD Income Limit;
https://smartasset.com/mortgage/how-much-house-can-i-afford#PCGmA6nHyA

Table 23: Detached Home Median Price										
	2015		2016		2017		2018		2019	
	CA	LA METRO	CA	LA METRO	CA	LA METRO	CA	LA METRO	CA	LA METRO
JAN	$428,980	$395,200	$467,160	$434,000	$491,840	$450,710	$527,780	$490,000	$537,120	$499,450
FEB	$429,930	$409,810	$444,780	$429,980	$480,270	$454,520	$522,440	$498,000	$534,140	$505,000
MAR	$464,640	$427,990	$484,120	$448,420	$518,600	$472,080	$564,830	$515,000	$565,880	$517,000
APR	$484,370	$434,470	$509,240	$460,940	$537,950	$480,000	$584,460	$515,000	$602,920	$536,450
MAY	$489,190	$440,050	$519,930	$469,090	$550,239	$488,720	$600,860	$530,000	$611,190	$535,000
JUN	$492,250	$449,530	$518,980	$473,670	$555,410	$500,000	$602,770	$539,000	$610,720	$545,000

JUL	$490,780	$452,200	$511,420	$465,000	$549,460	$508,810	$591,230	$535,000	$607,990	$550,000
AUG	$497,520	$446,910	$527,490	$473,300	$565,330	$499,970	$595,920	$525,000	$617,410	$545,000
SEP	$484,670	$440,870	$516,450	$463,330	$555,410	$491,130	$578,420	$520,000	$605,680	$545,000
OCT	$478,780	$443,540	$513,520	$464,110	$546,430	$492,340	$572,000	$516,000	$605,280	$545,000
NOV	$477,060	$441,390	$502,490	$461,440	$546,820	$500,500	$554,760	$512,000		
DEC	$489,770	$448,930	$510,560	$464,640	$546,550	$495,000	$557,600	$500,000		

Source: https://car.sharefile.com/share/view/s0c02663a5c54e23a; CA Realtor Agency

4) Housing Costs

Increasing housing costs are not a direct form of discrimination. However, a lack of affordable housing does constrain housing choice. Residents may be limited to a smaller selection of neighborhoods because of a lack of affordable housing elsewhere.

Homes in the area are selling in less than a months' time, as shown in Table 24, for prices that are well above the affordability range for low and moderate income households. Table 25 shows in detail median home sales prices for the region, as well as for the state.

Table 24: Days On The Market

October-19	Unsold Inventory Index			Median Time on Market		
State/Region/County	**Oct-19**	**Sep-19**	**Oct-18**	**Oct-19**	**Sep-19**	**Oct-18**
CA SFH (SAAR)	3.0	3.6	3.6	24.0	24.0	26.0
CA Condo/Townhomes	2.9	3.2	3.1	25.0	24.0	21.0
Los Angeles Metropolitan Area	3.2	3.7	4.0	29.0	27.0	30.0
Central Coast	3.8	4.4	4.1	29.0	28.0	30.0
Central Valley	2.7	3.1	3.3	17.0	17.0	21.0
Inland Empire	3.5	3.9	4.3	32.0	31.0	35.0
S.F. Bay Area	2.3	2.9	2.5	21.0	23.0	19.0
Southern California	**Oct-19**	**Sep-19**	**Oct-18**	**Oct-19**	**Sep-19**	**Oct-18**
Los Angeles	3.0	3.5	3.7	22.0	21.0	25.0
Orange	2.5	3.6	4.1	28.0	24.5	29.0
Riverside	3.4	3.8	4.3	32.0	32.0	34.0
San Bernardino	3.6	4.1	4.3	32.0	30.0	35.0
San Diego	2.8	3.1	3.9	18.0	18.0	24.0
Ventura	3.6	4.7	5.1	51.0	49.0	51.0

Source: https://car.sharefile.com/share/view/s0c02663a5c54e23a; CA Realtor Agency

Data collection over housing affordability indicates the median home value increased 24.68% between 2010 and 2017. However, the median gross rent rose only 0.33%, reflecting the increased demand for household ownership in the city. The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FMR) and affordability of rental housing in counties and cities in the U.S. for 2017 (Table 20). FMR for a two-bedroom apartment was $1,289 for the City in 2017. In order to afford this level of rent and utilities without paying more than 30% of income on housing, a household must earn $4,300 monthly or $51,550 annually. Assuming a 40-hour work week, 52 weeks per year, the level of income translates into an hourly wage of $24.78. This price would require someone to earn about $1,000 more per month than the median income for the City in order to pay Fair Market Rent without having a housing cost burden.

Table 25: Median Home Sales Prices			
Median Sold Price of Existing Single-Family Homes			
State/Region/County	**19-Oct**	**18-Oct**	**Change**
CA SFH (SAAR)	$605,280	$571,070	6%
CA Condo/Townhomes	$473,400	$470,000	1%
Los Angeles Metropolitan Area	$545,000	$516,000	6%
Central Coast	$675,000	$669,500	1%
Central Valley	$345,000	$320,000	8%
Inland Empire	$380,000	$359,000	6%
S.F. Bay Area	$940,000	$958,800	-2%
Southern California			
Los Angeles	$647,890	$614,500	5.40%
Orange	$820,000	$810,000	1.20%
Riverside	$420,000	$400,000	5.00%
San Bernardino	$319,000	$289,000	10.40%
San Diego	$652,000	$635,500	2.60%
Ventura	$660,000	$650,000	1.50%

Source: https://car.sharefile.com/share/view/s0c02663a5c54e23a; CA Realtor Agency

5) Housing Cost Burden

Cost-burdened households refer to households that pay 30% or more on housing costs. Data from the 2012-2016 CHAS/ACS reveals an increasing cost burden for both owner-occupied households and renter-occupied households. The percent of occupied households in the City that are currently cost-burdened is estimated to be 47.1%. This includes 34.6% of owners and 57% of renters paying more than 30%.

COST BURDEN HOUSEHOLDS
47.1%

Table 26: Income by Cost Burden (Renters Only): 2012-2016			
	Cost burden > 30%	**Cost burden > 50%**	**Total**
Household Income <= 30% HAMFI	2,655	2,185	4,840
Household Income >30% to <=50% HAMFI	2,535	1,185	3,720
Household Income >50% to <=80% HAMFI	1,045	40	1,085
Household Income >80% to <=100% HAMFI	75	0	75
Household Income >100% HAMFI	0	0	0
Total	6,310	3,410	9,720

Source: Montebello, California 2012-2016 CHAS

Table 27: Income by Cost Burden (Owners Only): 2012-2016			
	Cost burden > 30%	**Cost burden > 50%**	**Total**
Household Income <= 30% HAMFI	840	600	1,440
Household Income >30% to <=50% HAMFI	655	440	1,095
Household Income >50% to <=80% HAMFI	850	335	1,185
Household Income >80% to <=100% HAMFI	320	70	390
Household Income >100% HAMFI	380	10	390
Total	3,045	1,455	4,500

Source: Montebello, California 2012-2016 CHAS

D. Race and Segregation

Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a community. An extreme example of segregation would be a perfect split between predominantly high-income, white, suburban communities and low-income, minority, inner-city neighborhoods.

1) A. Dissimilarity Index

The dissimilarity index measures whether one particular group is distributed across census tracts in the metropolitan area in the same way as another group. A high value indicates that the two groups tend to live in different tracts. The Index ranges from 0 to 100. A value of 60 (or above) is considered very high. It means that 60% (or more) of the members of one group would need to move to a different tract in order for the two groups to be equally distributed. Values of 40 or 50 are usually considered a moderate level of segregation, and values of 30 or below are considered to be fairly low.

Table 28: Index of Dissimilarity

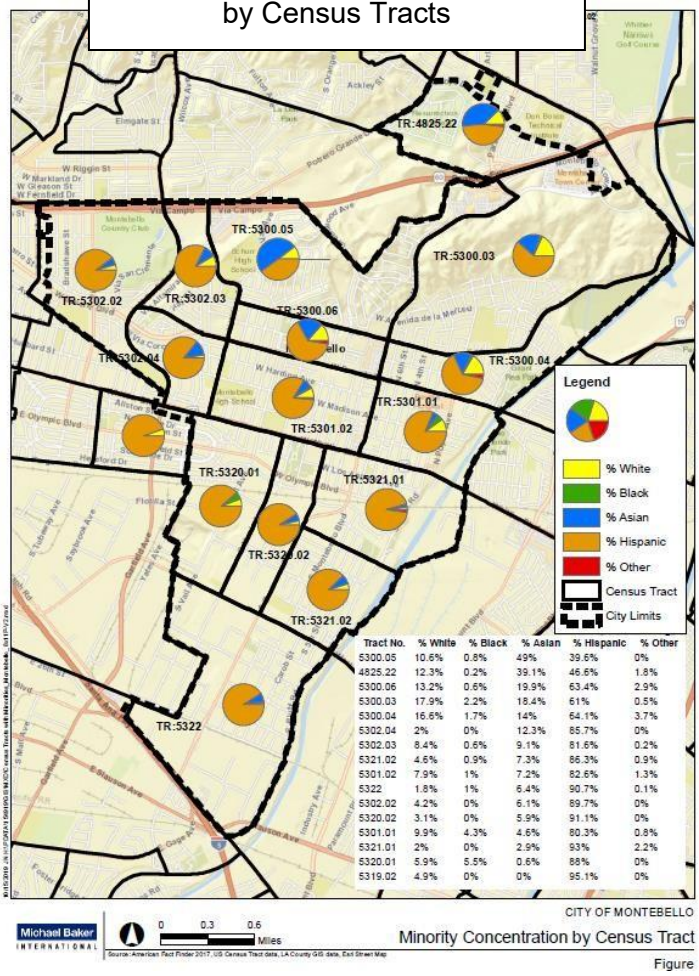
	1980	1990	2000	2005-2009	2010
White - Black	23.9	15.3	**10.4**	12.0	**7.7**
White - Hispanic	24.5	15.9	**10.3**	9.0	**7.9**
White - Asian	13	14.6	**14.4**	11.9	**14.5**
Black - Hispanic	49.2	62.1	**73.6**	70.8	**78.4**
Black - Asian	22.2	20.9	**13.4**	13.2	**12.5**
Hispanic - Asian	8.7	10.3	**8.1**	7.4	**8.3**

https://s4.ad.brown.edu/projects/diversity/segregation2010/city.aspx?cityid=652526
Diversity and Disparities American Communities Project

In the 1980s there were signs of dissimilarities between white and black residents. However, as the decades proceeded it is apparent dissimilarity indices have changed. There is a clear dissimilarity between Black and Hispanic races having a score of 49.2 in 1980 to 78.4 in 2010. The most current data found for dissimilarity is 2010. Segregation can be reinforced both unintentionally and by deliberate actions. The increases in the dissimilarity indices are more likely the result of changes in settlement patterns throughout the region versus deliberate segregation.

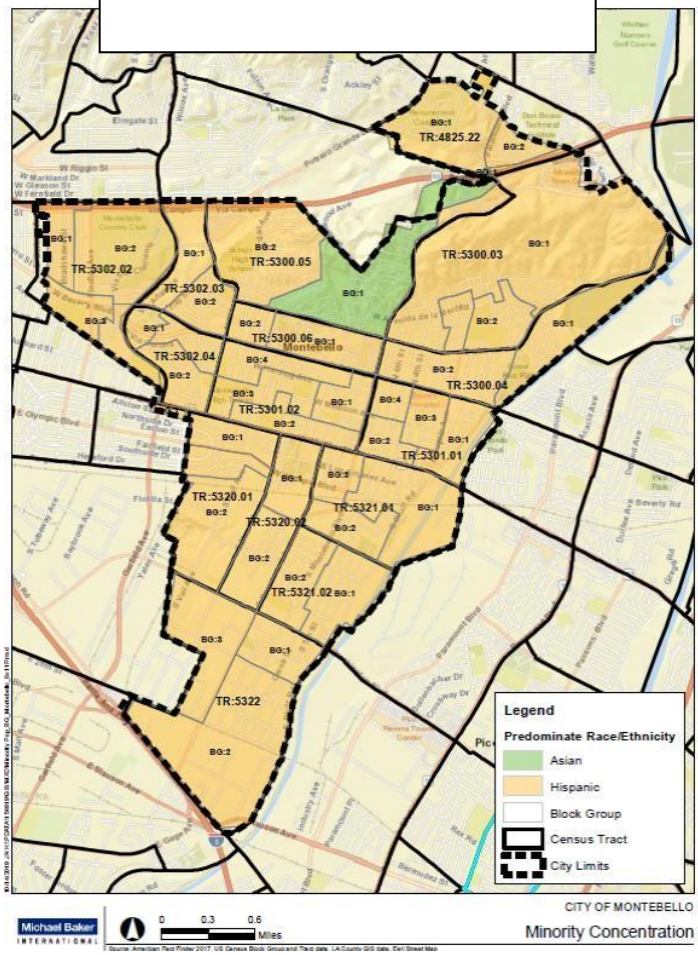
In the City a large majority of census tracks and block group include Hispanic residents. Once the 2020 Census is completed, the dissimilarity indices should be reviewed again to see if the 2010 Census estimates have any accuracy.

Figure 3 - Minority Concentration by Census Tracts



Figure

Figure 4 - Minority Concentration



E. Racially or Ethnically Concentrated Areas of Poverty

Federal regulations require grantees of HUD Community Planning and Development programs to identify and describe any areas within their jurisdictions that are concentrations of racial or ethnic minorities and low-income families. These areas are known as racially/ethnically concentrated areas of poverty (RCAPs and ECAPs). The definition involves a racial/ethnic concentration threshold and a poverty test. The racial/ethnic concentration threshold is straightforward.

R/ECAPs must have:

1. A non-white population of 50% or more.
2. A poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.

In order to analyze the RCAPs/ECAPs in the City at a meaningful geographic scale, data was collected for census block groups. Low to moderate income concentrations meeting the threshold of 50% of residents was collected at the block group level.

For the purpose of this analysis, racial minorities are all ACS respondents who identified as a race other than white, and ethnic minorities are all those who claimed Hispanic origins. As shown in Table 28 and

30, there are 4 block groups in the City that qualify as RCAPs and 24 block groups that are ECAPs. Of the LMI block groups, the block group with the highest concentration of racial minorities is block group 060375301012 at 64.6% for racial minorities and 5322002 at 97.72% for ethnic minorities.

Table 29: RCAP Block Groups			
Tract	**Block Group**	**% LMI**	**% Racial Minority**
4825.22	060374825223	57.1%	52.7%
5301.01	060375301012	93.0%	64.6%
5301.01	060375301014	78.1%	60.0%
4825.22	060374825223	57.1%	52.7%

Source: 2015 ACS 5-Year Block Group Estimates, HUD LMI 2015 Classifications

Table 30: ECAP Block Groups			
Tract	**Block Group**	**% LMI**	**% Ethnic Minority**
5300.04	060375300042	54.0%	68.22%
5300.06	060375300061	55.2%	59.33%
5300.06	060375300062	60.1%	74.12%
5301.01	060375301011	72.5%	86.44%
5301.01	060375301012	93.0%	76.71%
5301.01	060375301014	78.1%	72.38%
5301.02	060375301021	76.3%	76.48%
5301.02	060375301022	55.6%	72.23%
5301.02	060375301024	56.9%	66.36%
5302.02	060375302021	54.7%	84.60%
5302.03	060375302031	69.3%	83.72%
5302.04	060375302041	77.1%	88.84%
5302.04	060375302042	66.7%	82.98%
5320.01	060375320011	85.9%	80.64%
5320.01	060375320012	80.7%	88.54%
5320.02	060375320021	77.5%	92.20%
5320.02	060375320022	67.0%	88.19%
5321.01	060375321011	82.9%	88.73%
5321.01	060375321012	75.9%	98.68%
5321.01	060375321013	89.7%	94.68%
5321.02	060375321022	64.7%	82.81%
5322.00	060375322001	74.8%	87.83%
5322.00	060375322002	90.6%	94.72%
5322.00	060375322003	70.0%	83.74%

Source: 2015 ACS 5-Year Block Group Estimates, HUD LMI 2015 Classifications

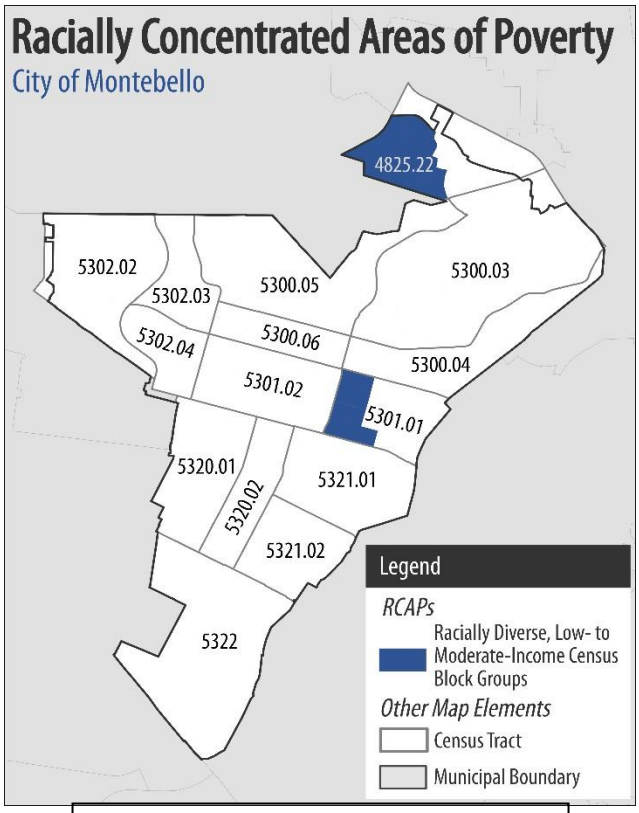


Figure 5 - RCAP

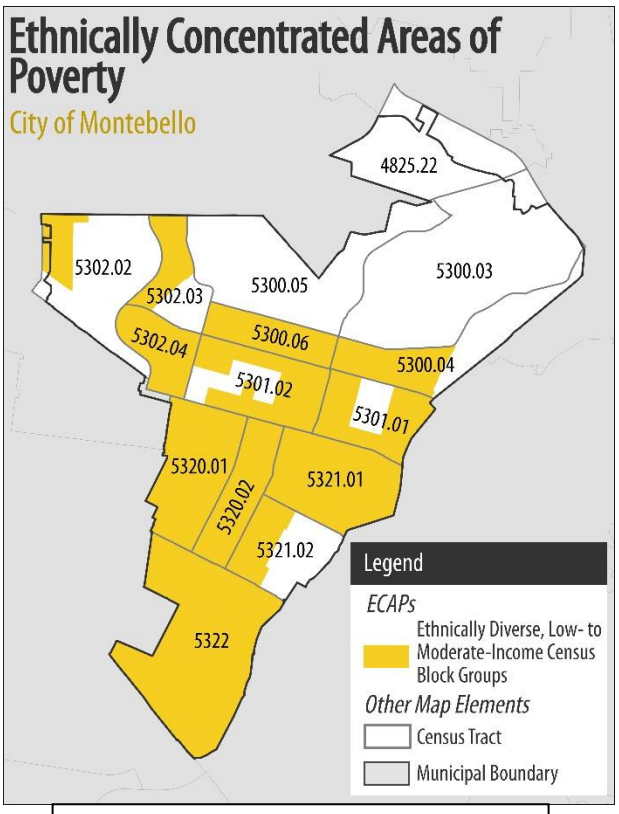


Figure 6 - ECAP

F. Income, Employment, and Workforce

1) Income

Household income is one of several factors used to determine a household's eligibility for a home mortgage loan or a rental lease. Median household income (MHI) in the City (Table 30) is $50,312. Across racial and ethnic groups, the American Indian/Alaskan Native population and Black population have the highest MHI, with the households earning $69,792 and $61,827 respectively. The largest population in the area, Hispanic or Latino, earns an average of 54,483. The White population brings in the least, at an average of $47,027.

Table 31: Income by Race

Population Type	Median Household income ($)
Households	$50,312
White	$45,708
Black or African American	$61,827
American Indian and Alaska Native	$69,792
Asian	$59,464
Native Hawaiian & Other Pacific Islander	-
Some other race	$53,311
Two or more races	$52,614
Hispanic or Latino Origin (of any race)	$54,483
White alone, not Hispanic or Latino	$47,027

Source: 2013-2017 ACS 5-Year Estimate

Table 32: Workforce by Industry			
Industry	# of Total Industry	% Share	Median earnings
Agriculture, forestry, fishing and hunting, and mining	132	0.66%	$34,706.00
Construction	1,050	5.25%	$36,841.00
Manufacturing	2,560	12.81%	$26,166.00
Wholesale trade	1,115	5.58%	$30,594.00
Retail trade	1,897	9.49%	$27,266.00
Transportation and warehousing, and utilities	1,623	8.12%	$40,474.00
Information	406	2.03%	$56,625.00
Finance and insurance, and real estate and rental and leasing	2,381	11.91%	$40,047.00
Professional, scientific, and management, and administrative and waste management services	2,082	10.42%	$34,635.00
Educational services, and health care and social assistance	9,610	48.08%	$ 42,335.00
Arts, entertainment, and recreation, and accommodation and food services	1,408	7.04%	$20,806.00
Other services, except public administration	1,417	7.09%	$22,855.00
Public administration	1,115	5.58%	$51,469.00

Source: 2013-2017 ACS 5-Year Estimate

The American Community Survey (ACS) provides detailed employment data by gender and race, indicating differences in employment rates among groups. The Center for American Progress published the 2018 California Report featuring statistics collected for California including:

Residents living below poverty level:
13.3% - total residents
17.8% - children
13.8% - working-age women
10.7% - working-age men
20.9% - African American
10.3% - Asian American
17.4% - Latino
19.5% - Native American
12.1% - White

The Center also stated that for every 100 renter households with very low incomes at or below 50% of the area median income, there are only 31 affordable units. For those living in poverty only 12.7% can afford health insurance coverage. In the City itself, the ACS 5-year Estimate lists 13.8% of the total population living with an income below the poverty line, just slightly higher than the rest of the state.

2) Workforce

The following points represent a summary of the City's workforce. This information is from the 2013-2017 ACS 5-Year Estimate. It notes the following:

- The median age in the City is 36.8 years old and 20.4% of the its population has earned a Bachelor's Degree or higher.
- The population is growing at a rate of 1.7% and the median household income is decreasing, down 1.12% percent since the 2006-2010 ACS 5-Year Estimate.
- Median home value was noted at $496,600, up 24.68% since 2010.
- Unemployment went from 5.8% in 2013 to an estimated 7.8% in 2017.
- More than half of the City's employees (60.89%) work in educational services, health care and social assistance, or manufacturing.
- Average commute time for residents is 33.7 minutes.
- 75.9% of the City's 27,890 workers 16 years or older drive alone to work, while 5.8% use public transportation, 11.7% carpool, and 1.6% walk.
- Female employees make up 52.8% of the workforce
- 13.8% of the City's population lives below the poverty line

Table 33: Top Employers in the City

Major Employers	# of Employees
Kaiser Permanente	4,496
Montebello Unified School District	3,577
Monarch Litho	2,865
The Shops at Montebello	1,897
Beverly Hospital	860
Bimbo Bakeries USA	750
Minson	633
City of Montebello	601
Royal Paper Box	170

Source: Economic Development Opportunities Plan, 2018

3) Employment

The City has experienced relatively slow economic growth. According to the ACS, as of 2017, the City's unemployment rate is estimated to be 7.8%. However, it should be noted, the unemployment rate noted by www.homefacts.com as 5.0% as of September 2019. Out of 51,004 people 16 years and older in the City, 60.50% participate in the labor force. The highest unemployment rates reported in 2017 for the City belonged to three different racial groups: White alone (10.10%), Black (9.80%), and American Indian/Native Alaskan (9.80%). The top workforce industries (Table 31) include: educational services/health care/social assistance (48.08%), manufacturing (12.81%), and finance/insurance/real estate/rental and leasing (11.91%).

Table 34: Unemployment By Race				
Race and Hispanic or Latino Origin	Total	Labor Force Participation Rate	Employment / Population Ratio	Unemployment Rate
	Estimate	Estimate	Estimate	Estimate
Population 16 years and over	51,004	60.50%	55.70%	7.80%
RACE				
White alone	30,322	59.80%	55.00%	8.00%
Black or African American alone	854	68.00%	61.40%	9.80%
American Indian and Alaska Native alone	370	49.70%	44.90%	9.80%
Asian alone	7,370	52.80%	49.20%	6.80%
Native Hawaiian and Other Pacific Islander alone	68	77.90%	77.90%	0.00%
Some other race alone	10,893	68.20%	62.60%	8.20%
Two or more races	1,127	51.70%	49.50%	4.30%
HISPANIC OR LATINO ORIGIN				
Hispanic or Latino origin (of any race)	38,325	63.10%	58.10%	7.90%
White alone, not Hispanic or Latino	4,310	49.40%	44.40%	10.10%

Source: 2013 - 2017 ACS 5-Yr Estimate

G. Public Transit and Train Services

Public transportation is provided by the City-owned Montebello Bus Lines (MBL); the service is the sixth largest public transit agency in Los Angeles County with an annual ridership of over 8.2 million. Starting in 1931 with a fleet of four buses, the agency now has a fleet of 66 buses, including five hybrid gasoline-electric buses and serves 14 communities.

Montebello LINK is a transportation shuttle offering curb-to-curb service to and from the Montebello / Commerce Metrolink station to employment centers on a limited schedule. Montebello also operates Montebello Dial-a-Taxi, a program offering transportation for senior residents and qualified disabled persons of any age. Up to15,000 residents utilize this service.

A. Access to Opportunities

Housing choice greatly depends on location, not only affordability. Adequate access to jobs and schools is imperative to households to function well in the local economy. Adequate public transportation, which includes easy and safe access to bus shelters, for example, may be required for some individuals and families to obtain access to jobs and schools.

The City is served by Montebello Bus Lines (MBL), a municipaltransit company providing fixed-route and Paratransit bus transit services within the City and neighboring municipalities including portions of: East Los Angeles, Downtown Los Angeles, Alhambra, Boyle Heights, Bell Gardens, La Mirada, Monterey Park, Pico Rivera, Rosemead, South Gate, Whittier, Commerce and Montebello. The Transit system includes eight permanent routes:

Route 10- East Los Angeles College/Pico Rivera
Route 20- Rosemead and San Gabriel/Montebello
Route 30- Alhambra/South Gate
Route 40- Downtown LA/Montebello and Whittier
Route 50- Downtown LA/La Mirada
Route 60- Pico Rivera/Pico Rivera
Route 70- The Shops at Montebello/Montebello
Route 90- Downtown LA/Montebello and Whittier (Express)

Table 35 : City of Montebello: Commuting to Work: Transportation 2010, 2015, and 2017						
Means of Transportation	**Number of Workers - 2010**	**Percent**	**Number of Workers - 2015**	**Percent**	**Number of Workers - 2017**	**Percent**
Drove Alone	19,627	76.00%	19,874	75.80%	21,167	75.90%
Carpooled	3,147	12.20%	3,183	12.10%	3,258	11.70%
Public Transportation (excluding taxi)	1,623	6.30%	1,298	5.00%	1,610	5.80%
Walked	514	2.00%	468	1.80%	444	1.60%
Other Means	310	1.20%	274	1.00%	340	1.20%
Worked at Home	618	2.40%	1,121	4.30%	1,071	3.80%
Total	25,839	100%	26,218	100%	27,890	100%
Mean travel time to work (minutes)	28.6	X	35.0	X	33.7	X

Source: ACS Survey 5-Year Estimates.

The transit system also includes Montebello Link. Thisis a shuttle service that works in tandem with Metrolink, a commuter rail system that operates in Southern California. People can reserve shuttle times for Montebello Link, and these times align with commuter schedules for Metrolink in both the morning and afternoon. Additionally, the City offers transportation for its elderly and handicapped populations through its Montebello Dial-A-Taxi service.

Chapter 4: Lending Practices

Lending practices are a contributing factor to fair housing choice. An important element of fair housing choice is equity in money lending from financial service organizations. Such organizations include credit unions, banks, credit card companies, and insurance companies. Lending is often required for the access to credit financing for mortgages, home equity, and home repair loans. Access to information regarding financial services is also a concern involving equality.

Gaps in financial services can make residents vulnerable to these types of predatory lending practices, and lack of access to quality banking and financial services may jeopardize an individual's credit and the overall sustainability of homeownership and wealth accumulation.

This chapter reviews lending practices of financial institutions and financing allowed to all households but with an emphasis on lending to minority and low-income households. However, a jurisdiction's control over lending is limited due to federal laws and regulations.

A. Laws Governing Lending

1) Community Reinvestment Act (CRA)

The Community Reinvestment Act (CRA), enacted in 1977, requires the Federal Reserve and other federal banking regulators to encourage financial institutions to help meet the credit needs of the communities in which they do business, including low- and moderate-income (LMI) neighborhoods.

2) Banking Regulators for the CRA

Three federal banking agencies, or regulators, are responsible for the CRA. Banks that have CRA obligations are supervised by one of these three regulators. Each regulator has a dedicated CRA site that provides information about the banks they oversee and those banks' CRA ratings and Performance Evaluations. Regulators are as follows:

- Federal Deposit Insurance Corporation (FDIC)
- Federal Reserve Board (FRB)
- Office of the Comptroller of the Currency (OCC)

3) Federal Reserve's Role

The Federal Reserve supervises state member banks or state-chartered banks that have applied for and been accepted to be part of the Federal Reserve System--for CRA compliance. To carry out its role, the Federal Reserve must:

- Examine state member banks to evaluate and rate their performance under the CRA;
- Consider banks' CRA performance in context with other supervisory information when analyzing applications for mergers, acquisitions, and branch openings; and
- Share information about community development techniques with bankers and the public.

B. Home Mortgage Disclosure Act (HMDA)

The Home Mortgage Disclosure Act (HMDA) requires many financial institutions to maintain, report, and publicly disclose loan-level information about mortgages. These data help show whether lenders are serving the housing needs of their communities; give public officials information to assist with decisions and policies; and shed light on lending patterns that could be discriminatory. The public data are modified to protect applicant and borrower privacy. HMDA was originally enacted by Congress in 1975 and is implemented by Regulation C.

C. Government Backed Loans

Larger numbers of approved loans are government backed. There are different types of government backed loans including loans from the Federal Housing Administration (FHA), VA Home Loans, and the Rural Housing Services/Farm Service Agency (RHA/FSA).

A. Federal Housing Administration

Loans from the Federal Housing Administration (FHA) loans have helped people become homeowners since 1934. The Federal Housing Administration (FHA) - which is part of HUD - insures the loan so that lenders can offer borrowers a better deal. Advantages of FHA include:

- Low down payments
- Low closing costs
- Easy credit qualifying

B. Veterans Administration (VA) Home Loans

VA loans help current and former service members, veterans, and eligible surviving spouses become homeowners. As part of their mission they provide a home loan guaranty benefit and other housing-related programs to help buy, build, repair, retain, or adapt a home for personal occupancy. VA Home Loans are provided by private lenders, such as banks and mortgage companies. VA guarantees a portion of the loan, enabling the lender to provide more favorable terms.

C. Rural Housing Services/Farm Service Agency (RHA/FSA)

FSA/RHS-guaranteed USDA's Rural Housing Service offers a variety of programs to build or improve housing and essential community facilities in rural areas. They provide loans, grants and loan guarantees for single- and multi-family housing, child care centers, fire and police stations, hospitals, libraries, nursing homes, schools, first responder vehicles and equipment, housing for farm laborers. The RHS/FSA also provides technical assistance, loans and grants in partnership with non-profit organizations, Indian tribes, state and federal government agencies, and local communities.

D. Conventional Loans

A conventional loan is a mortgage that is not sponsored by government but is available through a private lender. Conventional loans comprise most mortgages issued. Some conventional loans must meet the requirements of Fannie Mae and Freddie Mac, the two largest buyers of mortgage loans in the United States. Studies of conventional loans in HMDA data have shown that commercial banks and thrift institutions lend less to areas (or tracts) that are low-income and predominantly minority-concentrated.

Studies have also shown that a substantial portion of home purchase loans extended in predominantly minority middle-income areas are government-backed, while a similar pattern does not hold for white neighborhoods with similar incomes. Such practices have the potential to constitute discrimination and are known as redlining. The practice of redlining is a barrier to fair housing. However, in the case of the City, over 75% of the community is Hispanic, as are a majority of the home purchase loans and a large majority of loans in the City are conventional bank loans.

E. Lending Findings

In analyzing the data, several findings revealed implications of potential impediments to fair housing. This section reviews lending practices of financial institutions and financing allowed to all households but with an emphasis on lending to minority and low-income households. However, a jurisdiction's control over lending is limited due to federal laws and regulations. Data used in this analysis are taken from the 2018 National HMDA-LAR published by the Federal Financial Institutions Examination Council.

Table 36 lists the loans by type, number and percentage of applicants. Nearly all applicants applied for conventional loans. Of loans applied for 32% were for home purchase, almost 10% were for home improvement, and 48% were for refinancing, ten percent were related to another situation not listed. Almost half of the loans were approved – 44% of loans applied for were originated and 21% were denied.

Table 36: Loan Type		
Loan Type	**Number of Applicants**	**Percentage of Applicants**
Conventional	1,535	83.56%
FHA	237	12.90%
VA	65	3.54%
FSA/RHS	0	0
Total	1,837	100.00%

Source: LendingPatterns.com, 12/6/2019

Table 37: Action by Lender		
Action	**Number of Applicants**	**Percentage of Applicants**
Originated	815	44.37%
Denied	395	21.50%
Rejected by Applicant	33	1.80%
Withdrawn	218	11.87%
Incomplete	97	5.28%
Purchased	278	15.13%
PreApproval Denied	0	0
PreApproval Rejected	1	0.05%
Invalid	0	0
Total	**1,837**	**100.00%**

Source: LendingPatterns.com, 12/6/2019

Table 38: Purpose of Loan		
Purpose of Loan	**Number of Applicants**	**Percentage of Applicants**
Purchase	581	31.63%
Home Improvement	177	9.64%
Refinance	889	48.39%
Other	154	8.38%
NA	36	1.96%
Invalid	0	0.00%
Total	**1,837**	**100.00%**

Source: LendingPatterns.com, 12/6/2019

4) Refinancing

Refinancing is the process of replacing an existing mortgage with a new loan. Typically, people refinance their mortgage in order to reduce their monthly payments, lower their interest rate, or change their loan program from an adjustable rate mortgage to a fixed-rate mortgage.

5) Home Improvement

A home improvement loan is used to remodel or repair a private residence. Home improvement loans are usually short-term. They may or may not be secured by the homes whose work they finance, but those that are secured generally carry lower interest rates. The table below lists the purpose for which were loans applied in 2018.

Most applications were for refinance (Table 38) and the second most were for home purchase. 9.64% were for home improvement purposes. In total, 85.30% of loans applied for were for owner occupied units.

6) Demographics of Loan Applicants

It is important to look not only at overall approval and denial rates for a jurisdiction, but also whether these rates vary by other factors, such as race/ethnicity. The applicant pool for mortgage lending should somewhat reflect the racial demographics of a municipality. When one racial/ethnic group is overrepresented or underrepresented in the applicant pool, it could be an indicator of a possible fair housing issue. Such a finding may be a sign that access to mortgage lending is not equal for all individuals.

In Table 39, Hispanic residents' makeup 49.97% of all applicants for loans. According to the 2013 to 2017 American Community Survey, 78% of the City's total population is Hispanic or Latino. Such a finding shows a disparity because Hispanic or Latinos are underrepresented as applicants for loans. However, 11.16% of applicants were White, making them over-represented as applicants for loans because they only represent 4% of the City's population. The approval rating for other races - Black, Asian, Native American, Hawaiian- was more proportionate to their population in the City.

Table 39: Demographics of Loan Applicants

Race	Number of Applicants	Percentage of Applicants	Percent of Population
White	205	11.16%	7.3%
Black	13	0.71%	1.2%
Hispanic	918	49.97%	77.6%
Asian	279	15.19%	12.8
Native American	2	0.11%	.2%
Hawaiian	7	0.38%	.001%
Multi Race	12	0.65%	.007%
Unknown	191	10.40%	Unknown
NA	209	11.38%	Unknown
Invalid	1	0.05%	Unknown
Total	1,837	100.00%	Unknown

Source: LendingPatterns.com, 12/6/2019

A. Income of Loan Applicants

For loan applicants most (53.35%) were in the upper income bracket. As mentioned above, approximately 44% of loans were approved. According to the HMDA reports, the primary reason for denials was Debt to Income Ratio, followed by Collateral, and then Credit History. Low numbers of lower income applicants indicate lack of education regarding financing for a home, for example, government backed, first-time homebuyer loans, and other programs available for persons of low incomes.

Table 40: Applicants by Income Level		
Income Level	**Number of Applications**	**% Applications**
Low	102	5.55%
Moderate	194	10.56%
Middle	326	17.75%
Upper	980	53.35%
Unknown/NA	235	12.79%
Invalid	0	0
Total	**1,837**	**100.00%**

Source: LendingPatterns.com, 12/6/2019

7) Lenders

The top ten lenders in 2018 in the City are listed below. Table 41 includes market share and approval and denial rates by each lender. Wells Fargo had the highest market share but an approval rate of only 32.1%. American Financial Network, Inc. had the highest approval rate at had but the lowest market share at 2.4%. The sharp discrepancy of a high approval rate by a bank with such a low market share could indicate a target clientele and the likelihood of discriminatory lending practices.

Table 41: Top Ten Lenders: Action Taken								
	Total		**Approved**		**Denied**		**Withdrawn/Closed**	
Lender Name		**Market**		**% of**		**% of**		**% of**
	#	**Share**	**#**	**Total**	**#**	**Total**	**#**	**Total**
Wells Fargo Bank, National Association (KB1H1DSPRFMYMCUFXT09)	28	8.4%	9	32.1%	3	10.7%	1	3.6%
Broker Solutions, Inc. (549300E2UX99HKDBR481)	24	7.2%	13	54.2%	2	8.3%	9	37.5%
Synergy One Lending, Inc. (549300OPCWU6E72WUT29)	21	6.3%	15	71.4%	1	4.8%	5	23.8%
United Shore Financial Services, LLC (549300HW662MN1WU8550)	21	6.3%	13	61.9%	1	4.8%	7	33.3%
JPMorgan Chase Bank, National Association (7H6GLXDRUGQFU57RNE97)	16	4.8%	10	62.5%	1	6.3%	1	6.3%
Flagstar Bank, FSB (SS1TRMSN6BRNMOREEV51)	12	3.6%	8	66.7%	3	25.0%	1	8.3%
Amwest Funding Corporation (549300O6Z0I6KYMESL47)	11	3.3%	8	72.7%	2	18.2%	1	9.1%
Bank of America, National Association (B4TYDEB6GKMZO031MB27)	8	2.4%	6	75.0%	2	25.0%	-	0.0%
Quicken Loans Incorporated (549300FGXN1K3HLB1R50)	8	2.4%	6	75.0%	1	12.5%	1	12.5%
American Financial Network, Inc. (5493008NWHQT1R22C024)	8	2.4%	7	87.5%	1	12.5%	-	0.0%
Other lenders (84) ...	176	52.9%	107	60.8%	22	12.5%	29	16.5%
Total	**333**	**100.0%**	**202**	**60.7%**	**39**	**11.7%**	**55**	**16.5%**

Note: This report shows the lenders with a minimum of 20 applications meeting the selected criteria. Data used in this analysis are taken from the 2018 National HMDA-LAR published by the Federal Financial Institutions Examination Council. Purchases were ignored when calculating ratios. This report may not be copied, sold or distributed without the express written permission of CLC Compliance Technologies, Inc. Copyright 2004.

Chapter 5: Public Practices

Public policies established at the federal, state, and local levels can affect housing development and therefore, may have an impact on the range and location of housing choices available to residents. Fair housing laws are designed to encourage an inclusive living environment and active community participation. An assessment of public policies and practices enacted by jurisdictions within the collaborating entities can help determine potential impediments to fair housing opportunity. This section presents an overview of government regulations, policies, and practices enacted by each of the jurisdictions that may impact fair housing choice.

The General Plan of a jurisdiction establishes a vision for the community and provides long-range goals and policies to guide the development in achieving that vision. Two of the seven state-mandated. General Plan elements – Housing and Land Use Elements – have direct impact on the local housing market in terms of the amount and range of housing choice. The local Zoning Ordinance, which implements the Land Use Element, is another important document that influences the amount and type of housing available in a community – the availability of housing choice.

In 2018, the County created a “City Plan to Prevent and Combat Homelessness: A Guide” for local cities to use as a model for reducing homelessness, subsidized housing opportunities, funding availability, increase income, case management services, increasing affordable and homeless housing, and collaborating with regional partners. The County’s goal is to increase affordable housing by adding 8,000-10,000 supportive housing units within the next 10 years. In late 2018, the State of California’s “No Place Like Home” bond will help finance permanent supportive housing initiatives.

A Housing Element Law and Compliance

As one of the State-mandated elements of the local General Plan, the Housing Element is the only element with specific statutory requirements and is subject to review by the State Department of Housing and Community Development (HCD) for compliance with State law. Housing Element law requires that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law acknowledges that, for the private market to adequately address housing needs and demand, local governments must adopt land use and regulatory systems that provide opportunities for, and do not unduly constrain, housing development. Specifically, the Housing Element must:

- Identify adequate sites which will be made available through appropriate zoning and development standards and with services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels in order to meet the community’s housing goals;
- Assist in the development of adequate housing to meet the needs of low- and moderate income households;
- Address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing;
- Conserve and improve the condition of the existing affordable housing stock; and
- Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, disability, sexual orientation, gender identification, or any other arbitrary factor.

As set forth by the State of California, The Housing Element is the City's chief policy document for the development of affordable and market rate housing. Consistent with this policy document, the City will maintain and enhance the quality of existing residential neighborhoods through and, promote and

encourage fair housing opportunities for all economic segments of the community, regardless of age, sex, ethnic background, physical condition, or family size.

The City of Montebello Housing Element was adopted in April of 2020 and is intended to provide housing planning policies and implementation guidance between 2016 and 2021. The planning process was a two year effort focused as part of the General Plan update. Additional public outreach was undertaken focusing solely on the Housing Element. While the General Plan was never adopted, the Housing Element was adopted and outlines policies related to providing fair housing practices. The plan includes policies for providing housing opportunities for all income groups and includes strategies for meeting those goals. The plan also mentions requiring reasonable accommodation in siting, development, retrofit and occupancy of housing to meet the needs of residents with special needs. The Plan recommends that the City adopt a Reasonable Accommodation Ordinance.

According to the State Department of Development Services (DDS), the are roughly 450 persons residing in Montebello that have a developmental disability.

A developmental disability is defined as defined as "a disability that originates before an individual attains age 18 years, continues, or can be expected to continue indefinitely and constitutes a substantial disability for that individual." Disabilities also include an intellectual disability, cerebral palsy, epilepsy, and autism and other developmental disabilities.

The DDS administers programs for developmental disabilities via regional centers. The Eastern LA Regions Center serves the City of Montebello. The City requires that all new residential developments comply with California building standards (Title 24 of the California Code of Regulations) and Federal requirements for accessibility. Other City efforts designed to promote reasonable accommodation include the following:

- Procedures for Ensuring Reasonable Accommodations.
- Efforts to Remove Regulatory Constraints for Persons with Disabilities.
- Retrofitting Requirements.
- Information Regarding Accommodation for Zoning, Permit Processing, and Building Codes.

A number of Zoning Ordinance amendments were recommended in The Housing Plan. The Plan recommends:

- Add density bonus requirements in the Zoning Ordinance.
- Change the zoning district designation of at least 41 acres in the City to accommodate 430 units for lower-income households.
- Permit mixed-use development along Whittier Boulevard, Beverly Boulevard and downtown Montebello where transit is available.
- Create flexible development regulations such as: reduced parking requirements, increased height limits, increased floor area ratio and dimensional standards.
- Remove of the term "family" from the zoning definitions as required by the State.
- Promote higher residential density. The Housing Plan identified three City owned sites available for future affordable housing development that could yield of up to 82 units, however current density requirements in the Zoning Ordinance does not permit this to occur.

B Land Use Element

The Land Use Element of the City's General Plan designates the general distribution, location, and extent of uses for land planned for housing, business, industry, open space, and public or community facilities. As it applies to housing, the Land Use Element establishes a range of residential land use categories,

specifies densities (typically expressed as dwelling units per acre [du/ac]), and suggests the types of housing appropriate in a community. Residential development is implemented through zoning to which there are development standards specified within each zoning district. Residential density requirements affect both the intensity of development and number of people per square miles within a zoning district.

The Land Use element of the General Plan has not been updated since 1973. Plan goals emphasize single family home development and complementary uses. The Land Use Element contains residential policies that promote a variety of densities and housing types and promotes consistency with recommended density standards in the Housing Element. Policies include retaining existing housing stock, including medium density residential areas, avoiding large concentrations of high and very high-density residential development. Lot coverage standards are included with a range of 40-60 percent, for low density and very high density, respectively. Geographic locations are identified for mixed-use and multifamily development, as well as a high-density cluster.

C Zoning Ordinance

This section was divided into three parts. A) The first presented Montebello Municipal Code (MMC) sections that are consistent or in direct conflict with state or federal fair housing laws Housing Element recommended that the City make it a priority to change these sections to bring the MMC into compliance with fair housing law B) The second part analyzed MMC sections that should be changed to achieve the goal of affirmatively furthering fair housing C) The third part addresses other relevant considerations to the extent that these troubling provisions in local law still exist and the City of Montebello should undergo immediate efforts to address the issues identified in the AI.

1). Zoning Ordinance – Deterrents and Inconsistencies Towards Affordable Housing Include:

- Density ranges are limited with the highest density of 22 dwelling units per acre (I unit per 2,000 sq.ft.of lot area) in the R-4 District.
- In the R-2, R-3 and R-4 Districts, Bedroom numbers are limited by lot area to one bedroom per 1,000 square feet of lot area.
- Mixed Use housing is not permitted in the Commercial Districts, only live above units for employees or owners.
- Parking requirements for two covered parking spaces for all single family and multi family dwelling units adds to the cost of developing affordable housing.
- Required Conditional Use Permits for senior housing in the R-3, R-4, C-R and C-2 Districts.
- Secondary Dwelling Units are permitted in the R-1 and R-A Zones by right, but have development standards that include the requirement for one additional parking space enclosed with a garage door opening. In addition, both the primary and accessory dwelling units shall be equipped with “hardwired” smoke detectors and automatic fire extinguishing provisions, unless determined infeasible.

2.) Zoning Ordinance – Favorable Towards Affordable Housing Include:

- Permits boarding of up to four persons in the Single Family residential District.
- Transitional and Supportive housing is addressed.
- Emergency shelters are not included in the CM District as recommended in the Housing Plan.
- Secondary dwelling units are permitted by right in the R-1, R-2, R-3 and R-A Zones.

1) Consistent with Fair Housing:

The City Housing Element recommends eliminating the definition of family to avoid any conflicts with State law. The City’s current “Family” definition is as follows: *“Family" means an individual; two or more persons related by blood, marriage or adoption; or any other bona fide single housekeeping unit consisting of a group of persons, all of whom voluntarily reside together in one dwelling on a relatively permanent basis and share the use of the entire dwelling unit.*

A community's Zoning Ordinance can potentially restrict access to housing for households failing to qualify as a "family" by the definition specified in the Zoning Ordinance. For instance, a landlord may refuse to rent to a "nontraditional" family based on the zoning definition of a family. A landlord may also use the definition of a family as an excuse for refusing to rent to a household based on other hidden reasons, such as household size. Even if the code provides a broad definition, deciding what constitutes a "family" should be avoided by jurisdictions to prevent confusion or give the impression of restrictiveness.

California court cases have ruled that a definition of "family" that: 1) limits the number of persons in a family; 2) specifies how members of the family are related (i.e. by blood, marriage or adoption, etc.), or 3) a group of not more than a certain number of unrelated persons as a single housekeeping unit, is invalid. Court rulings stated that defining a family does not serve any legitimate or useful objective or purpose recognized under the zoning and land planning powers of the jurisdiction, and therefore violates rights of privacy under the California Constitution. A Zoning Ordinance also cannot regulate residency by discrimination between biologically related and unrelated persons. Furthermore, a zoning provision cannot regulate or enforce the number of persons constituting a family. The City's definition does not serve to impede housing choice, however should be updated or eliminated.

a) Transitional and Supportive Housing

State law (SB 2) requires local jurisdictions to address the provisions for transitional and supportive housing. Under Housing Element law, transitional housing means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance (California Government Code Section 65582(h)). *Supportive housing assists homeless persons in the transition from homelessness by providing housing with services to enable them to live as independently as possible.*

Transitional and/or Supportive housing and associated programs should target populations with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code). Such populations may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people (California Government Code Sections 65582(f) and (g)).

Pursuant to SB 2, transitional and supportive housing constitutes a residential use and therefore local governments cannot treat it differently from other types of residential uses (e.g., requiring a use permit when other residential uses of similar function do not require a use permit).

Montebello zoning defines supportive housing as housing with no limit on the length of stay that is occupied by the target population. Supportive housing may include onsite or offsite services that will assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live, and when possible, work in the community (per Health and Safety Code 50675.14(b)). Transitional housing and transitional housing development is defined as being considered a residential use only subject to those restrictions that apply to other residential uses of the same type in the same zone. This type of housing refers to temporary rental housing that is intended for occupancy by a target population group that is transitioning to permanent housings. This type of housing is operated under program requirements calling for the termination of assistance and recirculation of he assisted unit to another eligible program recipient to some predetermined future point in time, which shall be no less than six months (per Health and Safety Code 50675.2(h)).

b) Emergency Shelters

State law requires jurisdictions to identify adequate sites for housing which will be made available through appropriate zoning and development standards to facilitate and encourage the development of a variety of housing types for all income levels, including emergency shelters and transitional housing (Government Code Section 65583[c][1]). Changes to State law (SB 2) in 2008, require that local jurisdictions make provisions in the zoning code to permit emergency shelters by right and with a ministerial approval process in at least one zoning district where adequate capacity is available to accommodate at least one year-round shelter. Local jurisdictions however, may establish limited and objective standards to regulate the development of emergency shelters. All jurisdictions must permit emergency shelters for the homeless by right in at least one zone.

The City permits Emergency Shelters – by right - in the M-1 District Overlay Zone. The Zoning Ordinance defines "Emergency Shelter" as a temporary residential facility, which provides overnight accommodations and incidental services for homeless persons and/or families on a short-term basis. This definition does not include such emergency shelters as may be provided for relief following a natural disaster or during a state of emergency or those provided at a place of religious assembly for less than five days in any 30- day period.

Section 17.34.030 regulates Emergency Shelters within the M-1 District. The Ordinance places restrictions on property location, capacity (maximum of 40 beds per establishment), maximum length of stay (six months in a twelve month period), lighting, on-site management, parking, and site security. A management plan is required to be submitted and approved by the planning division prior to operation.

c) Boarding

The City of Montebello does permit up to four boarders per dwelling unit in Single Family homes. Renting of rooms can be a way to provide affordable housing within an existing home.

d) Senior Housing and Handicapped

These users are permitted by conditional use in the two high density districts and two commercial districts.

2) Conflicts with Fair Housing:

The following zoning definitions and or requirements are considered in conflict with fair housing laws:

a) Density Bonuses

The State statute sets bonus thresholds depending on the number of units and the percentage of low to moderate income units provided, for instance a residential development is eligible for a twenty (20) percent density bonus if the applicant agrees to construct five percent of the total units as affordable to very low-income households. The City's zoning regulations do not include density bonus incentives.

b) Single-Room Occupancy (SRO)

AB 2634 amending the State Housing Element law also mandates that local jurisdictions address the provision of housing options for Extremely Low-income households. SRO units are small, one-room units intended for occupancy by a single individual. California HCD considers SRO units to be a suitable housing type to meet the needs of Extremely Low-income individuals. It is distinct from a studio or efficiency unit in that each is a one-room unit must contain a kitchen and bathroom. Although SRO units are not required to have a kitchen or bathroom, many SROs have one or the other. SRO units are one of the most traditional forms of affordable private housing for lower income individuals, including seniors and persons with disabilities. These protected classes are required to have suitable housing options and SROs provide these options.

Currently the City Zoning Ordinance has a classification of "Bachelor Apartments" with a minimum square footage of 400 square feet. The City's zoning code does not have specific regulations that permit SRO

units although the Housing Plan recommends amending the Zoning Ordinance to include this unit type with a minimum of 200 square feet per unit.

c) Group Home

California Code of Regulations, as amended Definition: (g)(1) "Group Home" means any facility of any capacity which provides 24-hour care and supervision to children in a structured environment with such services provided at least in part by staff employed by the licensee. The care and supervision provided by a group home shall be nonmedical except as permitted by Welfare and Institutions Code Section 17736(b).

Currently the City does not define Group Home in its Ordinance. The closest use to may be interpreted as a Supportive Housing or Family Care Services. Family Care Services is not defined but appears as a Conditional Use in residential districts as Family Care Services for 7 or more persons (convalescing mental patients.)

d) Residential Care Facilities

The Lanterman Developmental Disabilities Services Act (Sections 5115 and 5116 of the California Welfare and Institutions Code) declares that mentally and physically disabled persons are entitled to live in normal residential surroundings and that the use of property for the care of six or fewer disabled persons is a residential use for zoning purposes. A state-authorized, certified, or licensed family care home, foster home, or group home serving six or fewer persons with disabilities or dependent and neglected children on a 24-hour-a-day basis is considered a residential use that is permitted in all residential zones. No local agency can impose stricter zoning or building and safety standards on these homes (commonly referred to as "group" homes) of six or fewer persons with disabilities than are required of the other permitted residential uses in the zone. The Lanterman Act covers only licensed residential care facilities. The regulations for supportive housing may cover the type of housing referred to as residential care of group home, however it is not clear that the required 24-hour care and supervision is provided, nor the limit on the number of persons served by the facility. The City does permit supportive housing facilities in residential districts.

The City Zoning Ordinance definition closest to this type of use is "Supportive housing" means housing with no limit on length of stay that is occupied by a specified target population defined in Section 50675.14 of the California Health and Safety Code and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Supportive housing is a residential use subject to the same regulations and procedures that apply to other residential uses of the same type in the same zones.

e) Density and Bedroom Count

The highest density permitted is in the R-4 District, which permits one dwelling unit per 2,000 square feet of lot area or approximately 22 units per acre. The bedroom count is limited to one per thousand square feet of lot area. The result is that the in high density district is limited to one or two-bedroom units. Additional density is not permitted for senior or other special needs housing. No provisions for density bonuses are given.

f) Parking

The Ordinance requirement for two covered parking spaces per dwelling unit regardless of whether for single family and multi-family dwellings Requiring that at least two spaces be covered adds to the cost and area requirements for construction and may make redevelopment of a site impractical. Additionally, in the R-1 District, the parking for the accessory dwelling unit is required to be in an enclosed garage. Reduced parking standards for senior housing and shared parking for mixed use developments or higher densities near transit should be included in the Zoning Ordinance.

3) Zoning Ordinance Recommended Changes

After careful review the following are recommendations for zoning and land use change, based on recommendations from the Housing Plan.

Group Homes. Update the Zoning Ordinance to include the correct definition of Group Homes and locate those uses in the appropriate residential zoning district.

Emergency Shelters. Add Emergency Shelter Use to the CM District permitted uses as recommended in the Housing Element.

Residential Care Facilities. Update the Zoning Ordinance to include this use in all residential districts and ensure that the legally correct definition is included in the Ordinance.

Parking Requirements. Reduce the required minimum number of parking spaces for smaller units, senior housing and residential uses near transit.

Density. Include higher density provisions for mixed use, senior housing, density bonus and affordable housing in locations identified in the Housing Element. To obtain the Housing Element goal of additional 430 affordable dwelling units the current maximum density of 22 dwelling units/acre or 2,000 square feet per dwelling unit in the R-4 District must be increased in these areas.

Family Care Services. Eliminate or define this use.

Family. Eliminate the definition of family.

4) Other Conflict Considerations

a) Reasonable Accommodations

The City has will adopt an Ordinance addressing reasonable accommodations as recommended in the Housing Element.

b) Hoarding and other Intellectual Disabilities.

Provisions regarding garbage and rubbish disposal are located outside of Title 11 Health and Safety. Los Angeles County in 1975 created a Commission on Disabilities. The Commission is made up of persons living with disabilities to assist the county departments and others on the unique needs of people with disabilities and to conduct studies and make recommendations for policies, systems and procedures necessary in best interest of people with disabilities (Chapter 3.28 – Commission on Disabilities). Nuisance laws affect certain persons with disabilities therefore we should address this issue. Mental health professionals have identified a disorder as Compulsive Hoarding Syndrome is a disorder that involves the accumulation of belongings to such an extent that the resulting clutter renders parts of the living space unusable. Symptoms include:

- The acquisition and failure to discard a large number of items/possession that are considered by most to be of little or no value;
- These possessions clutter the living space, rendering the space unable to be used in the manner in which it was intended; and
- The hoarding behavior causes marked distress or interferes with one's daily functioning.

An individual who engages in hoarding might run afoul of the measures with regard to garbage and rubbish disposal will be subject to Montebello Code of Ordinances, Title 8 Health and Safety, Section 8.16 Nuisances. Conditions constituting property nuisances will need a reasonable accommodation i.e.

additional time to comply with the order to abate the nuisance or information regarding community resources to assist with the cleanup. Additionally, persons with physical disabilities who cannot sustain long periods of strenuous activity might need additional time to comply. While the right to a reasonable accommodation is available to persons with disabilities under existing fair housing laws it would be helpful to explicitly state within this code section that persons with disabilities may request an accommodation as needed which request will be evaluated by the appropriate agency. Such accommodation should include relief from any penalties assessed pursuant to a finding of a nuisance or other violation.

c) Transit

The City is well served by Montebello Bus Lines 7 fixed bus routes and the Line 90 Downtown Express linking Montebello with the center of Los Angeles. Line 269 (the Foothill Express) serves several communities to the north of Montebello by bus from Montebello Town Center ending at El Monte Station. Montebello Link Service is available by contract to shuttle to and from the City Metrolink station in South Montebello to various work sites. The housing plan suggests that mixed use and affordable housing development occur along one of the bus routes or near the downtown Civic Center. Increasing density along the transit lines and adding a category for mixed use developments should be included in the Zoning Ordinance update and Land Use Plan.

Chapter 6: Fair Housing Profile

This section discusses the institutional structure of the housing industry regarding fair housing practices. Fair housing services available to City residents are also covered and includes data regarding fair housing complaints received by the fair housing provider, how fair housing investigation and resolution of housing discrimination complaints are handled, and discrimination auditing/testing results will be discussed. The City can assist residents through providing education and outreach, including the dissemination of fair housing information.

1). Homeownership – Private Sector Practices

The Fair Housing Act[7] states that it is "the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States."[8] The Act carries out the policy by prohibiting discrimination in the sale, rental, and financing of dwellings, and in other real estate-related transactions because of race, color, religion, sex, familial status[9], national origin, or disability. This section of the AI discusses the City's efforts to determine and to evaluate the practices of the private sector as they relate to fair housing choice, including the policies and practices of real estate agents and property managers.

A. Home Purchase Process

When purchasing a home, a potential buyer must go through a process of steps, including:

- Searching advertisements
- Obtaining a loan
- Working with a Real Estate Agent

B. Real Estate Advertisement

The process usually begins by searching homes for sale in advertisements. Homes for sale are advertised in magazines, newspapers, or the internet. Advertisements cannot include discriminatory references such as the use of words describing current residents, the neighborhood in racial or ethnic terms, that adults or types of adults are preferred, or convenience of local religious institutions.

Under 42 U.S. Code § 3604 (c), discrimination in the sale or rental of housing and other prohibited practices, it is unlawful to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

The National Fair Housing Alliance provides guidelines for responsible advertising to housing providers for their use. Basic guidelines they recommend include the following:

- *" Make sure your advertising is compliant with fair housing laws by focusing on the property and the amenities in your rental listing description—NOT on who you think an ideal renter would be."*
- *" Do not make statements that exclude persons in protected classes or express a preference for one personal characteristic over others."*

[7] Title VIII of the Civil Rights Act of 1968, 42 U.S.C. §§ 3601-3619.
[8] 42 U.S.C. § 3601.
[9] One or more individuals under the age of 18 years living with a parent or other person having legal custody of the individual or individual.

Table 42 regards a sampling of 25 listings from various sources, including Trulia, Zillow, Craigslist, Realtor, and local newspapers. The language could potentially target particular groups, rather than focusing solely on the amenities offered. The results were filtered to show homes affordable according to HOME and Housing Trust Fund Homeownership Sales Price Limits for fiscal year 2019, which is $451,000 for 1-unit single family existing housing unit.

Table 42: Potentially Discriminatory Language in Listings of For-Sale Homes

Discrimination Type	Number of Listings	Potentially Discriminatory Language*
No Discriminatory Language	22	
Income Related	3	"A taste of luxury in beautiful Montebello" "Featuring high-end flooring, fixtures, appliances" "Credit score of 700+ and monthly income must be three times the monthly expense"
Household Size/ Family Related	0	
Disability Related	0	

Source: www.trulia.com, www.zillow.com, www.realtor.com, www.craigslist.com, accessed December 12, 2019
*Examples are direct quotes from the listings (including punctuation and emphasis.

The next step is to obtain financing for the home purchase. The potential homebuyer must apply for the loan and the lender must perform an evaluation of credit quality, determine ability to repay the loan and amount eligible for, and choose the type and terms of the loan, etc. Examples of discrimination,[10] based on race, color, national origin, religion, sex, familial status, or disability, in lending can include:

- Refusal to make a mortgage loan
- Refusal to provide information regarding loans or providing unequal information
- Imposing different terms or conditions on a mortgage loan, such as different interest rates, points, or fees
- Discrimination in appraising property
- Steering an applicant toward a bad mortgage loan product
- Providing inferior servicing of a mortgage loan

C. Real Estate Agents

Real Estate Agents can discriminate in ways such as providing different terms, conditions, or information related to the sale or rental of a dwelling to individuals with protected characteristics, or steering individuals with protected characteristics to a particular neighborhood or area at the exclusion of other areas.

2) Rental Housing Process

When searching for a home to rent, the process is somewhat similar to home purchase but does not require the same outlay of cash. Renting can involve the following steps:

- Search advertisements
- View rental units
- Credit checks
- Security deposits

[10] U.S. Department of Housing and Urban Development, "Understanding Fair Lending," under " Lending Discrimination," https://files.hudexchange.info/resources/documents/Fair-Lending-Learning-the-Facts-Consumer-Guide.pdf.

A. Advertisement for Rental Units

As with searching for homes for sale, the process for rentals also begins by searching in advertisements, usually in magazines, newspapers, or the internet. Advertisements for rental units cannot include discriminatory references that indicate preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination. Table 42 is from a sampling of 25 listings, three of which include potentially discriminatory language found on various listing sites, including Trulia, Zillow, Craigslist, Realtor, and listings from local newspapers. Results were filtered to reflect the affordable rent for a two-bedroom unit using HUD's fair market rent of $1,545.

Table 43: Potentially Discriminatory Language in Rental Listings

Discrimination Type	Number of Listings	Potentially Discriminatory Language
No Discriminatory Language	14	
Income Related	4	"Credit over 675, no eviction record, no collection record" "Applicants must have 3 times the monthly rent as income" "Sorry, No Section 8" "Deposit depending on your credit score"
Disability Related	7	"No pets, no smoking of any kind" "Pets allowed: no" "Sorry, no pets"
Household Size/ Family Related	0	

Source: www.trulia.com, accessed October 30, 2019
*Examples are direct quotes from the listings (including punctuation and emphasis).

B. Fair Housing Complaints and Enforcement

Patterns of complaints and enforcement are useful to assess the nature and level of potentially unfair or discriminatory housing practices in the private sector. Several public and private agencies may receive complaints about unfair housing practices or housing discrimination.

1). Office of Fair Housing and Equal Opportunity (FHEO)

At the federal level, the Office of Fair Housing and Equal Opportunity (FHEO) of HUD receive complaints of housing discrimination. FHEO will attempt to resolve matters informally. However, FHEO may act on those complaints if they represent a violation of federal law and FHEO finds that there is "reasonable cause" to pursue administrative action in federal court.

2). California Department of Fair Employment and Housing (DFEH)

At the state level, the Department of Fair Employment and Housing (DFEH) has a similar role to FHEO. DFEH also receives, investigates, attempts to settle, and can take administrative action to prosecute violations of the law. HUD and DFEH have overlap in jurisdiction, and depending on the nature of the case, may refer cases to one another. DFEH is a HUD Fair Housing Assistance Program (FHAP) grantee, meaning that it receives funding from HUD to enforce federal fair housing law in the state.

3). Housing Rights Center

The City contracts with the Southern California Housing Rights Center (HRC), a nonprofit organization, to help educate the public about fair housing laws and to investigate reported cases of housing discrimination. HRC is a long-established organization, dedicated to promoting fair housing for all persons.

During 2018-2019 HRC served 137 Montebello households (with 348 household members), 16 of whom registered fair housing complaints alleging discrimination based on physical disability (7 were inquires), sexual orientation (5 inquires), and mental disability (3 inquires). HRC has opened full investigations into two of these matters, both of which were pending further investigation as of the end of the reporting period. The City annually awards HRC $20,000 of CDBG funds. Specifically, HRC conducted a Housing Rights Workshop in May 2019. Within this time period HRC was contacted by 5 regarding housing discrimination concerns, three of which were resolved by HRC staff. HRC also conducts extensive outreach and education activities throughout Los Angeles and Ventura Counties in conjunction with its fair housing programs. Events of particular interest to Montebello residents included:

- HRC's 20th Annual Housing Rights Summit – the agency's flagship event which brings together community members, local government representatives, and agencies dedicated to the cause of fair housing
- Two Housing Rights Workshops conducted at Montebello City Hall for tenants and other community members
- A booth staffed at the 2019 "Your Turn" Expo
- Two public service announcements providing the public with essential information on fair housing and housing discrimination
- Two fair housing newsletters made available to each of HRC's local service areas
- At least 1,145 pieces of bilingual fair housing literature distributed to 15 agencies serving the City
- An extensive social media campaign designed to provide community members with updates on fair housing generally
- HRC provides free programs and services including workshops and clinics
- Routine social media posts on upcoming workshops and events over housing discrimination and with listings of available rental properties and other low -income housing.

Table 44: HRC Assistance

Groups Assisted	Number of People Assisted
Total number served	137
Total household members served	348
Extremely low income	100
Very low income	24
Low income (80% AMI)	8
Female Heads of Households	13
Race:	
White	7
Black/African American	0
American Indian/Alaskan Native	3
Two or more races	0
Other Multi-Racial	122
Hispanic (85%)	112
Male	45
Female	92
Seniors	5

2018-2019 HRC Annual Progress Report

Chapter 7: Fair Housing Progress

This section reviews the goals and strategies of the previous AI conducted in 2015 and determine the progress that has been made in light of these goals since that time. The 2015 AI identified seven goals including seven potential impediments as well as activities the City was responsible for carrying out over the past five years.

In the 2015 AI, the provisions of the Montebello Municipal Code (MMC), specifically Title 15 Buildings and Construction and Title 17 Zoning, were reviewed for compliance with state and federal fair housing law. At that time, the update of the Zoning Ordinance was anticipated to occur to implement recommendations from the Housing Element. The 2015 AI detailed any actual and potential conflicts between the MMC and the letter and spirit of the state and federal fair housing laws, analyzed the fair housing impact on protected groups of City residents, and suggested changes to bring the respective sections into compliance. This review does not include analysis of the technical accessibility requirements of the Building Code as it relates to the Fair Housing Act or the Americans with Disabilities Act.

Table 45: Past Impediments and Actions

Potential Impediment	Actions	Progress
1. Housing discrimination, particularly in the rental Housing market.	***Goal: Ensure that City residents have access to fair housing services responsive to their needs.***	
	1.Contract for fair housing services annually to process housing discrimination complaints.	The City utilizes the services of the Southern California Housing Rights Center (HRC) Fair Housing Program as a housing advocate, to conduct outreach and to investigate housing discrimination complaints.
	2.Contract for fair housing services to conduct rental audit phone testing.	Today's online newspaper and or e-real estate companies have a distinct knowledge of fair housing laws with regards to rental or for sale property advertisements. There are very few advertisement options for property owners that aren't online.
	3.Review HMDA data to identify any significant trends in mortgage applications by ethnicity and income.	As part of this 2020 AI, HMDA data was updated.
2. Loan approval rates lower for Hispanics.	***Goal: Improve home purchase loan approval rates in all neighborhoods through homebuyer counseling***	
	1.Encourage the provision of fair lending and homebuyer education programs.	The City works with the Montebello Housing Development Corporation (MHDC) offers home buyer education classes including: first time home buyer academy teaching - establishing or rebuilding credits; financial literacy, home ownership retention.
	2.Utilize fair housing contract to offer periodic homebuyer counseling.	The City, in contracting with the HRC, has taken a proactive approach to working toward resolution of concerns identified in the AI. HRC provides tenant-landlord counseling and investigation of discriminatory housing complaints, including telephone and walk-in counseling services,

		discrimination complaint intake and investigation, outreach and education, and enforcement and legal services for residents. 163 units in the City were assisted by the Housing Rights Center.
3.Need to affirmatively further fair housing through Housing Element policies and programs	***Goal: Further fair housing through Housing Element policies and programs.***	
	1.Add supportive housing definition to the zoning ordinance permitting this housing subject to the same requirements of residential uses of the same type in the same zone.	Montebello zoning states that Supportive Housing is considered as a residential use that is subject to those restrictions that apply to other residential uses, of the same type, in the same zone.
	2.Revise the Zoning Code to remove requirement for CUP for senior housing and handicapped housing projects.	Montebello zoning still has a requirement for CUP for senior housing and handicapped housing projects.
4. Lack of Reasonable Accommodation	***Goal: Provide equal housing access to persons with disabilities.***	
	1.The City will adopt a reasonable accommodation ordinance to provide exception in zoning and land-use regulations for housing for persons with disabilities.	The City has not adopted a Reasonable Accommodation Ordinance.
	2.Periodically mail to on-site property managers fair housing information on service and companion animal policies; reasonable modifications; accessible parking and unlawful familial discrimination.	Landlord/tenant workshops are routinely conducted by the HRC. The Montebello Housing Development Corporation provides housing counseling that includes Fair Housing Act information.
5.Discriminatory advertising on internet services	***Goal: Promote equal housing access by monitoring discriminatory on-line advertising.***	
	1.Monitor on-line advertising, particularly Craigslist, for discriminatory advertisements and check with internet services to understand how they filter discriminatory advertisements.	As referenced on Table 42 and 43, online newspaper and or e-real estate companies were reviewed against the Fair Housing Act and associated guidelines. Today's online companies are cognizant of fair housing laws with regards to rental or for sale property advertisements.
6. Need to review HMDA data for potential redlining and other practices in violation of fair housing laws.	***Goal: Monitor to ensure fair housing practices are being followed.***	
	1.Review HMDA data to identify fair housing impediments.	HMDA data was collected for the 2020 AI.
7. Advertising that discourages	***Goal: Ensure that disabled persons have equal access to housing***	

disabled persons from applying for available rentals	1.Periodically review newspaper and online ads for compliance with fair housing laws and work with newspapers to promote reasonable accommodations for disables persons.	The HRC assists the City with promoting and educating property owners and property managers about laws regarding “Reasonable Accommodation”. HRC offers Landlord-Tenant training classes annually. This course provides information on Reasonable Accommodation.

Chapter 8: Fair Housing Action Plan

The City's Housing Division assists the community in meeting their affordable housing needs. The City offers a range of services including; rental assistance, residential and rental rehabilitation, home ownership assistance, capital improvements and community housing and economic development.

A. Data Collection and Engagement Conclusions

Montebello provides local landlords and tenants with copies of the "California Tenants" booklet. This booklet is the most relevant and practical resource for both tenants and landlords. It provides information about rental applications, unlawful discrimination, security deposits, repair responsibilities, rent increases, termination of leases, eviction notices, and includes inventory checklist for use before moving in, and again when moving out. The City also refers tenants to the California Department of Consumer Affairs if additional information is needed. Assistance for fair housing issues can be obtained by contacting the City's Economic Development Division.

The City, according to data provided in the previous chapters, has several issues related to fair housing including:

- Housing affordability
- Affordable housing availability
- High rent and or mortgage costs

The total population in the City is growing at a slow pace, increasing by 1.7% since 2010, and the median housing values have increased by 24.68%. However, rent costs have remained stable, with the average rent increasing by just 4 dollars. The median age in the City is 36.8 years old and 20.4% of the its population has earned a Bachelor's Degree or higher. Of the City's total population, 13.8% live at or below the poverty level. The most common racial or ethnic group living below the poverty line in the City is Hispanic, followed by White and Other races. DataUSA reports the male gender in the City currently earns 20.7% more than the female gender, while there are many households headed by single women.

Increases in median housing values have greatly outpaced increases in rents. This has occurred despite median income for the area decreasing. Therefore, it is becoming more difficult for residents to purchase a home and afford rent. Affordable rental housing units have grown in the City, however, the number of units affordable to extremely low and very low income populations has decreased. Housing affordability for low and very low income households to rent or obtain a mortgage is a big challenge facing the City.

> *Tables 20 and 21 show median housing and rent values and what is affordable in the City. For a family of four who makes less than 30% of the median household income, an affordable rent is $676 per month. Table 20 shows the median gross rent in the City is $1,211 per month. The gap of affordability is $535. For a family of four who makes between 50% and 80% of the median household income, an affordable home is $205,000. Table 20 shows that the median housing value in 2017 is $496,600. The gap of affordability is $291,600.*

From 2010 to 2017 there was a 1,284 unit increase in the total number of affordable rental units. In the last 7 years the number of units that rent for $1000/month or less has decreased by 37.9% while the total number of units between $1,000-$1,499 increased 29.8% and the total number of units over $2,000/month rose from 0 in 2010 to 484 in 2017. The Center for American Progress stated that for every 100 renter households with very low incomes at or below 50% of the area median income, there are only 31 affordable units. For those living in poverty only 12.7% can afford health insurance coverage.

The City offers programs that assist low and moderate income homeowners and renters.

Home Improvement Program that provides financial assistance to low and moderate-income homeowners for the repairs that their homes need. These subsidized or deferred loans have a 3% fixed interest rate and each applicant must own and occupy the house.

Zoning in the City provides appropriate definitions for Family, Transitional and Supportive Housing as well as provides density incentives for inclusion of affordable housing. Conflicts with the ordinance include definitions of Group Home, Residential Care Facilities, Emergency Shelters, limits on bedroom numbers based on the permitted density, lack of high density zoning, and restrictive residential parking requirements.

City's Housing Element provides housing planning policies and implementation guidance between 2016 and 2021 and included extensive community outreach. The plan outlines impediments to providing affordable housing, including reduced funding for Section 8 Housing Choice Vouchers and the realignment of the City Housing Division and funding capabilities. The plan quantifies the needed additional housing units at each income category and includes strategies for meeting those goals. The Los Angeles County Development Authority recently completed an AI in 2018. The County's priority goals include:

- Enhance accessible facilities and infrastructure for persons with disabilities
- Promote more affordable housing for special needs populations
- Enhance accessible housing supportive services to persons with disabilities
- Promote healthy communities
- Enhance and create viable communities
- Promote understanding and knowledge of fair housing and ADA laws
- Coordinate the AI with other agencies' plans and programs to address contributing factors
- Promote lower rates of crime in R/ECAP areas
- Enhance Limited English Proficiency services in R/ECAP areas
- Create viable communities
- Promote affordable housing
- Enhance employment opportunities
- Facilitate access to proficient schools
- Enhance transit services

B. Setting Fair Housing Goals and Priorities

Following the period of public engagement conducted for the Fair Housing Assessment, program partners held meetings to analyze and interpret community comments alongside of HUD and local data in order to create regional fair housing goals. Specific goals have been for the issues that must be addressed. Area program partners and stakeholders worked with the City to help determine fair housing goals and priorities.

HUD provides a list of potential contributing factors in each section, accompanied by descriptions of those potential factors. The City utilized the HUD-provided list of potential fair housing contributing factors, along with the explanation of each factor, to determine whether any factor listed creates, contributes to, perpetuates, or increases the severity of one or more fair housing issues.

Other factors were included if they create, contribute to, perpetuate, or increase the severity of one or more fair housing issues. In addition to the analysis using HUD-provided data, local data, and local knowledge in each section of the AI, the community participation process may be of assistance to program participants in helping to identify and prioritize the contributing factors that should be the focus of the AI. As part of the engagement process housing and social service participants:

- Identified fair housing issues and significant contributing factors
- Prioritized contributing factors, giving highest priority to those factors that limit or deny fair housing choice or access to opportunity or negatively impact fair housing or civil rights compliance
- Justified the prioritization of contributing factors; and
- Set priorities and goals to address the identified contributing factors and related fair housing issues (HUD, 2015)

A. Contributing Factors to Fair Housing Issues

City staff, stakeholders and the community at-large identified and prioritized fair housing issues and contributing factors to fair housing. The following contributing factors to fair housing issues have been identified as “medium” or “high” based on community engagement and data compiled from either HUD or other local sources.

Table 46: Contributing Factors to Fair Housing Issues

Fair Housing Issues	Contributing Factors	Priorities		
		Low	Medium	High
Disparities in Access to Opportunity: Affordable Housing	• High Housing Cost			■
	• Housing values are increasing at a faster rate than household incomes			■
	• Low number of affordable homes			■
	• High land values, parking requirements, and high construction and material costs		■	
	• Lack of local financial and tax incentives for new affordable housing		■	
	• High cost and lack of homeowner skill for housing rehab		■	
	• Low vacancy rates		■	
	• Low ability to become a homeowner			■
Disparities in Access to Opportunity: Employment	• More workforce training for current market needs		■	
	• Jobs located outside the City		■	
	• Lack of household financial stability			■
Disparities in Access to Opportunity: Education	• Undereducated residents (20%)			■

Fair Housing Issues	Contributing Factors	Priorities		
		Low	Medium	High
Disparities in Access to Opportunity: **Special Needs Housing**	• Low number of housing opportunities for larger families			
Disparities in Access to Opportunity: **Financing for Homeownership**	• Low number of home purchases			
	• Low number of FHA loans			
	• Low approval numbers for low and moderate income home mortgages.			
Discrimination or violations of civil rights laws or regulations **State and Federal Policy**	• Current zoning places limitations on: ○ Bedroom count in higher density zones ○ Location of emergency shelters ○ Senior housing density ○ Single Room Occupancy units and group homes ○ Parking requirements			

B. Priority Goals and Actions

The following goals and action steps were developed as a result of specific data capture and existing programs and policies. Agency consultation, community engagement, outreach activities are needed to develop the goals and recommendations. Through the AI data review and analysis process, the following five goals[1] have been developed with associated action steps as shown in Table 46:

Goal 1: Increase affordable housing opportunities.
Goal 2: Increase homeownership.
Goal 3: Create public awareness of fair housing laws and affordable housing advocacy
Goal 4: Increase training, education and employment opportunities.

The following matrix table describes and lays out community housing and affordability issues, priority goals and action steps that will further fair housing. As part of the engagement process, several high priority action steps have been highlighted to provide clearer direction for Council, City staff and partnering agencies.

TABLE 47: GOALS & ACTION STEPS		
Top Issue	**Goals**	**Action Steps**
	Housing Needs	
Goal 1	***Increase affordable housing opportunities***	1. Obtain the Housing Element goal of adding 430 affordable dwelling units. Create flexible development requirements consistent with Housing Element recommendations: a. Flexible density requirements in districts that permit mixed use and multifamily development. b. Updated Group Home definition and permit in appropriate residential zoning districts. c. Allow Emergency Shelters in the appropriate commercial and or residential districts. d. Allow and define residential care facilities to be permitted in all residential districts. e. Housing Opportunity Overlay zone will provide a maximum density of 20 to 80 units per acre. Requires 20% affordable housing. f. Reduced parking space requirements for smaller units, senior housing and residential uses near transit. g. Higher density provisions within proposed mixed use, senior housing, density bonus and affordable housing in locations identified in the Housing Element. h. Eliminate or define family care services. i. Eliminate the definition of family, as per California court rulings. 2. Advocate and support the importance of integrated housing approaches near major employment areas/centers. 3. Develop innovative codes enforcement methods to create a larger pool of decent housing options. (An aging housing stock primarily constructed between (1940 and 1979) requires reinvestment.) 4. Create a revolving loan fund for homes with fire code violations so that properties are available for purchase or rent. 5. Identify vacant residential properties for targeted rehab. (There are over 1,414 properties known to be vacant.) 6. Promote building new units containing 2 or 3 bedrooms. 7. Use innovative low-cost housing materials. 8. Identify specific redevelopment obstacles related to local construction practices that can be changed. 9. Implement Housing Element actions 10. Explore more ways to work with non-profit housing organizations such as Habitat for Humanity to promote housing construction training opportunities.
Goal 2	***Increase home ownership***	1. Work with program providers to expand the resources for new home buyers. Funds could be spent on: **a.** Down payment assistance **b.** Provide lines of credit and other assistance to LMI households. (70% of all loans in 2018 went to middle and upper income households) **c.** Lease to own mortgage arrangements **d.** Wrap-around service programs **e.** Utility hook-up **f.** Furniture or household goods **g.** Ensure loan processes are conducted in multiple languages

		Priority should be given to: single parent households, households with and persons living with disabilities. Lending institutions should also recognize only 20% of the population has graduated from college. 2. Increase the number of FHA loans in the City. Only 13% of the loan applications in 2018 were FHA loans. 3. Incorporate programs into for housing development that include: home ownership education, budgeting, and home maintenance education and skills. 4. Create a flexible business model for new development to include a percentage of the units be available for homeownership and rental. The business model could incorporate financial options for homeownership. 5. Explore the use of land trust agencies where a homeowner would own the building but not the land to reduce overall housing costs. 6. Advocate for local mortgage lending institutions to better serve a diverse amount of LMI households. **a.** Create gap financing programs and resources for LMI families who would like to become homeowners. 7. Seek out new resources and provide additional programs for potential LMI homebuyers. 8. Increase public investment to improve neighborhoods through streetscape amenities, safety and greening initiatives.
Advocacy for Fair Housing, Affordable Housing, Policy Change		
Goal 3	***Create public awareness of fair housing laws and affordable housing advocacy***	1. Create change in HUD policies to fund both market rate and affordable rate integrated housing projects. 2. Advocate to reduce or eliminate prevailing wage rates requirements for new housing or housing rehab projects. 3. HRC and the City should develop a local outreach program about the positive impacts of affordable housing. 4. Enhance local land use and zoning laws. a. Create fair housing policies and align discriminatory or conflicting zoning and land use laws, practices and policies including: Group homes, residential care facilities, emergency shelters and parking. b. Identify priority goals and target areas for new housing and or housing rehab where employment, healthcare and transit opportunities exist. 5. Establish a committee in partnership with HRC and social services to review and provide impactive change to state and federal affordable housing policies. 6. Review ways to control rent and or housing sale costs for City rehabbed properties.
Increase Earning Capacity		
Goal 4	*Increase training, education and employment opportunities*	1. Work with local colleges and high schools to establish or further careers in the area's top career fields including: educational, health care and social assistance services. Secondary fields include finance and manufacturing.

		2. Create mentoring programs with local skilled trades companies. a. To assist in affordable housing development, local training for carpentry, mechanical, plumbing, and electrical skills training may be necessary. b. To Increase training opportunities that target "Second Chance", persons with disabilities, at-risk homeless individuals, and job retraining program.

C. Regional Collaboration

Many issues, such as homelessness, affordable housing, jobs-housing balance, and access to services require collaboration between area wide cities, the County, and nonprofit agencies throughout the region. In recent years, the County and the City of Los Angeles have undertaken multiple initiatives that address housing-related issues including: first-time homebuyers programs, supportive and transitional housing, rental rehabilitation, and new construction of affordable housing.

The City continues to rely on local and County social services to administer and provide valuable programs for low income residents. The City collaborates annually with the HRC to react to and conduct investigations into any complaints surrounding housing discrimination and to provide fair housing education and promotion.

Continuing these planning efforts and implementation would bridge the gap in disparities among communities. A majority of the Action Steps noted in Table 46 require collaboration. The City has created a solid foundation over the years to continue work with its area partners and to create a path that initiates and completes the Plan's action steps.

Appendix A: Public Outreach

City of Montebello

Los Angeles County, California

Community Engagement Summary

City of Montebello 2020-2025 Consolidated Plan
City of Montebello Analysis of Impediments

DRAFT March 2020

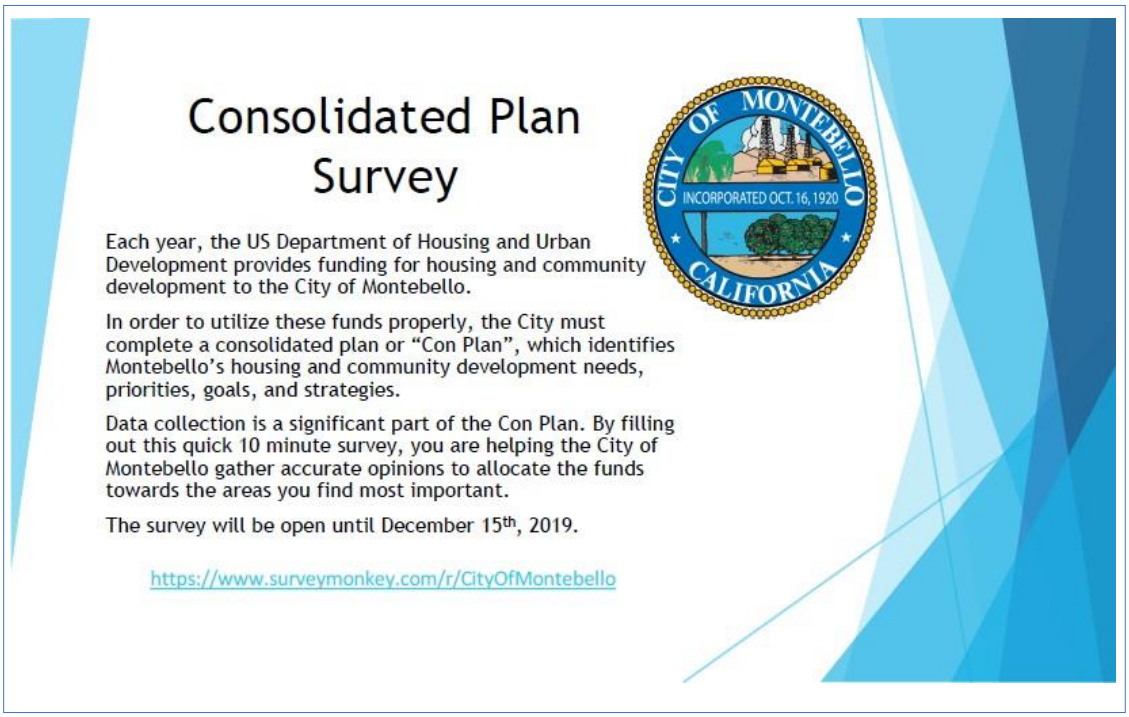
The City of Montebello, in preparation of the 2025-2025 Consolidated Plan (ConPlan) and Analysis of Impediments (AI), a variety of community engagement methods to solicit input on community and resident services, housing issues and future use of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and HOME funds. The following engagement methods:

- Community Needs Survey
- Stakeholder Interviews
- Social Service Consultation

Community Needs Survey:

An online Community Needs Survey was available for resident and social services response. The link to the survey was printed on flyers and postcards and posted on City social media and website requesting community response. English and Spanish language postcards, roughly 3,500, were distributed to five (5) elementary schools and two (2) parochial schools in the City. The postcard invited residents to complete the online survey and participate in the outreach process for the development of the ConPlan. Final results of the survey are located in Appendix A. Schools participating in the distribution included:

- Fremont Elementary - 200 Madison Ave, Montebello, CA 90640 (601 students)
- Greenwood Elementary - 900 S Greenwood Avenue, Montebello, CA 90640 (379 students)
- La Merced Elementary - 724 N Poplar Avenue, Montebello, CA 90640 (806 students)
- Washington Elementary - 1400 W Madison Avenue, Montebello, CA 90640 (487 Students)
- Wilcox Elementary - 816 Donna Way, Montebello, CA 90640 (627 students)
- St. Benedict School, 217 N. 10th Street, Montebello, CA 90640
- Our Lady of Miraculous Medal School – 840 N. Garfield Ave., Montebello, CA 90640



Highlights of the Community Needs Survey include: (in priority order)

Housing Discrimination:

- 75% have never encountered any form of housing discrimination?
- 50% feel housing discrimination likely occurs in the City and if discrimination occurs over 50% feel it's because of their source of income or race/ethnicity or they have a disability.
- Over 60% have not had an issue with home loan approval and 28% stated the reason was because of poor credit.
- 47% feel local land use laws do not support the development of affordable housing.

Greatest Housing Needs: 1. Home ownership down payment assistance 2. Energy efficient home improvements 3. Owner-occupied housing rehabilitation	**Greatest programs and services needs**: 1. Recreational programs 2. Programs for at-risk youth 3. Childcare services and facilities 4. Disaster and emergency preparedness services
Most needed community facilities: 1. Parks and recreation facilities 2. Youth centers 3. Neighborhood community center	**Most pressing challenge with maintaining your home:** 1. Cost of maintenance 2. Lack of skills needed to maintain a home
Critical homeless needs: 1. Homeless prevention services 2. Emergency shelter space 3. Transitional housing	**What size housing units are most needed:** 1. 3-bedroom units 52% 2. 2-bedroom units 37% **3.** 4-bedroom units 21**%**
What type of housing is most needed: 1. Single-family 84% 2. Low-barrier housing 31% 3. Town homes 26% 4. Mixed use (Residential with commercial uses) 26%	**Greatest neighborhood improvement needs:** 1. Street improvements 2. Sewer/storm sewer improvements 3. Job generating businesses 4. Sidewalk and curbing improvements
The reasons why residents may not be able to live in a preferred neighborhood are: 1. Cannot afford the rent or mortgage in their preferred neighborhood 42% 2. Poor credit history 32% 3. Do not have enough money for a security deposit 16% 4. Can't find a home for a larger family 16%	

Community Meetings

Two (2) Community meetings were held at City Hall Council Chambers. The meeting notice was published in the San Gabriel Valley Tribune on January 9, 2020 describing the two community meetings to be held on Thursday, January 23 and Monday, January 27, 2020, at 6 p.m. There was low attendance noting only four residents were in attendance. The meeting agenda included a description of the ConPlan as well as the engagement process. English and Spanish language flyers were posted at public counters along with the link to the survey.

Consolidated Plan Survey

Each year, the US Department of Housing and Urban Development provides funding for housing and community development to the City of Montebello.

In order to utilize these funds properly, the City must complete a 5-year Consolidated Plan or "Con Plan", which identifies Montebello's housing and community development needs, priorities, goals, and strategies. The City is also preparing an Analysis of Impediments to Fair Housing Choice, or "AI".

Data collection is a significant part of the Con Plan and AI. By filling out this quick 10-minute survey, you are helping the City of Montebello gather accurate opinions to allocate the funds towards the areas you find most important.

https://www.surveymonkey.com/r/CityOfMontebello

The City will be hosting two (2) community meetings to discuss the process. These meetings will be held at:

Montebello City Hall Council Chambers
1600 W. Beverly Blvd., Montebello, CA 90640

The dates and times of the meetings will be:
Thursday, January 23rd, 2020 and
Monday, January 27th, 2020,
from **6:00 - 7:00 p.m.**

Have questions?
Please call:

(323) 887-4501 ext. 401

City of Montebello

Encuesta sobre el Plan Consolidado

Cada año, el Departamento Nacional de Vivienda y Desarrollo Urbano provee fondos a la Ciudad de Montebello para el desarrollo de vivienda y de la comunidad.

De manera que la ciudad pueda utilizar estos fondos efectivamente, la ciudad tiene que completar un Plan Consolidado o "Con Plan" de 5 años, el cual identifica las necesidades de vivienda, desarrollo comunitario, prioridades, metas y estrategias de la Ciudad de Montebello. La ciudad también está preparando un Análisis de Impedimentos a Elección de Vivienda Justa, ó "AI".

El colectar este tipo de información es sumamente importante para el Plan Consolidado y AI. Usted puede ayudar a la Ciudad de Montebello a colectar opiniones precisas; llenando una encuesta que le tomara solamente 10 minutos en la cual usted puede identificar áreas de más importancia para usted.

https://www.surveymonkey.com/r/CityOfMontebello

La ciudad organizará dos reuniones comunitarias para hablar del proceso, en:

Montebello City Hall Council Chambers,
1600 W. Beverly Blvd., Montebello, CA 90640

Las fechas y hora de las reuniones serán el **jueves 23 de enero de 2020** y el **lunes 27 de enero de 2020** de **6:00 a 7:00 p.m.**

¿Preguntas?
Por favor llame:

(323) 887-4501 ext. 401

Agency Consultation

The Community Engagement Program included stakeholder interviews. Significant coordination was made to public, faith-based organizations, educational institutions, housing services, and health and social service organizations including organizations providing services to: homeless persons and families, persons with HIV/AIDS, victims of domestic violence, senior citizens, and extremely low to low income populations. In January questionnaires and phone/or in-person interviews occurred with the following agencies, City staff and elected officials:

Los Angeles Homeless Services Authority: LAHSA is the lead agency in the Los Angeles Continuum of Care, which is the regional planning body that coordinates housing and services for homeless families and individuals in Los Angeles County. LAHSA was consulted on the Homeless Count. Specific concerns raised included:

- Accurate tracking and monitoring of unsheltered data persons including persons on the street, living in vans, RV/campers, and makeshift shelters.
- Accurate tracking and monitoring sheltered persons including those persons living in transitional housing.

Montebello Housing Development Corporation (MHDC): MHDC is a 501c (3) community-based non-profit corporation based in the City of Montebello serving the housing needs of Los Angeles County, The MHDC goal is to increase housing opportunities for the underserved. The MHDC is a HUD-certified agency, and its purpose is to develop a financing and housing stability plan for low to moderate-income families. Their specific concerns included:

- Dissemination of misinformation to the public, specifically pertaining to housing programs.
- Homeowners agreeing to loans they don't need or don't understand and, in some cases, can't afford.
- Lack of housing supply for the demand evident in the city. They would like to see more construction of new affordable housing and transitional housing units.

Housing Rights Center: The Housing Rights Center's mission is to actively support and promote fair Housing through education, advocacy, and litigation, to the end that all persons have the opportunity to secure the housing they desire and can afford, without discrimination based on their race, color, religion, gender, sexual orientation, gender identity, gender expression, national origin, familial status, marital status, disability, genetic information, ancestry, age, source of income or other characteristics protected by law. Their concerns include:

- The City's continued support of Housing Right Center services to ensure affirmatively furthering fair housing among CDBG recipients.
- Availability of fair housing services to meet the National Objective to benefit low and moderate-income persons, area-wide, throughout the entire city limits.

Heart of Compassion: Heart of Compassion (HOC) is a 501(c)(3) food bank and social service that works to alleviate hunger, food insecurities, and the suffering of those who have fallen on hard times. Heart of Compassion's concerns include:

- Improving food insecurity for low and moderate income households.
- Assisting moderate income households with fresh fruits and vegetables and food sources. Many of the households are just getting by and need additional assistance to make ends meet.
- Availability and development of more low-income housing.

The Gateway Cities Council of Governments: The Gateway Cities Council of Governments is a joint powers authority made up of representatives from 28 cities, 3 Los Angeles County Supervisorial Districts, and the Port of Long Beach. The Gateway Cities serves as a regional voice for its member agencies and works to improve the quality of life for the more than 2 million residents living in the region. The Gateway Cities Council of Governments works on issues of importance to its member agencies, including transportation, homelessness, the environment, and water, and seeks to address these regionally. The Gateway Cities Council of Governments: The primary concerns of Gateway Cities include:

- Fostering job creation.
- Enhance focus on education, technical/soft skills training, career pathways for youth and retrain dislocated adult workers.
- Initiatives to reduce homelessness

Stakeholder Interviews

Stakeholder interview meetings were conducted at individual sites, by email or by direct phone contact with the following:

- Danilo Batson, Public Works Director
- Mayor Salvador Melendez
- Councilmember David Torres
- Heart of Compassion
- Housing Rights Center
- Councilmember Jack Hadjinian
- Los Angeles Homeless Services Authority
- Gateway Cities Council of Governments
- Mayor Pro Tem Kimberly Cobos-Cawthorne
- Joseph Palombi, Community Development Director
- Montebello Housing Development Corporation

STAKEHOLDER OUTREACH MAJOR THEMES:	ISSUES AND NEEDS
HOMELESSNESS	- Proper accounting and identification of displaced residents - Scarcity of housing programs - Accurate tracking of unsheltered persons and those living in transitional housing. - Food and shelter insecurity
PRIORITY HOUSING NEEDS	- More affordable housing - Quality affordable single family units - Create a balance of affordable single family homes vs market rate or higher cost homes - Preservation of existing affordable housing
POTENTIAL SOLUTIONS TO HOUSING PROBLEMS	- Façade improvements in south Montebello - Incentivize developers - Need better programs - More Subsidized Housing programs - Require developers to include affordable units
TOP FAMILY ISSUES	- Dealing with the housing market - Access to information (what is happening in the City / education) - Assisting low and moderate income households with fresh food - Low-moderate income families face environmental hazards such as freeway, parking lots, and abandoned buildings. - Low-moderate persons are more vulnerable to low healthcare management - Economic development and revitalization

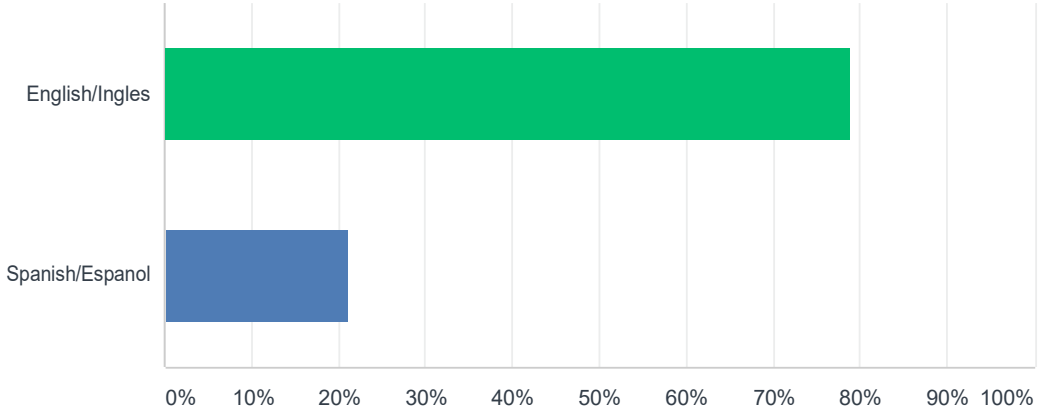
PRIORITY FAMILY SERVICES	- Services that educate on household finance - Job skills and training classes - Proper dissemination of housing information; the public should know the pros and cons of programs. - Technical/soft skills training, career pathways for youth and retrain dislocated adult workers - One-stop-shop and education for navigating /accessing resources in the City
HOUSING AND SERVICE POLICIES	- Create revenue streams so programs can be implemented - Enhance focus on education
ECONOMIC DEVELOPMENT	- Beautification of corridors - Bring vibrant retail to south Montebello - Lack of funds to subsidize projects
NATURAL HAZARD VULNERABILITIES	- Earthquake damage to homes that have not been retrofitted or updated - Whittier Narrows Dam could fail and cause flooding - Older housing stock could be most vulnerable to earthquake damage
BROAD BAND ACCESS	- Need to improve infrastructure to eliminate “dead zones” - Cost is prohibitive - Low and moderate income families are most vulnerable to lack of access to information / education - Access will enable disabled and special needs populations to stay connected socially - Access increases employment opportunities - Improve wireless connectivity on buses and at public facilities (senior center)
PUBLIC WORKS	- Resurface roads from Whittier Boulevard south of 2nd to 4th street - Revitalization would benefit low income housing projects two blocks north and south of Whittier Blvd including sewer upgrades, electrical, water infrastructure, and hydrant pressure. - The dense housing in the Findlay area would benefit from improved green space - Hydrant pressure needs to be improved from Washington/Greenwood to Sycamore/Bluff - Park improvements needed at City Park also senior center needs to be updated. - Grant Rea Park ball diamonds at max capacity - Major improvements are needed to the City’s water system
FUTURE CDBG SPENDING	- Continue social services - Infrastructure improvements, water system - Economic Development - Infrastructure improvements to streets, accessible sidewalks and public facilities - Study of broadband needs throughout the City to determine if this is a priority - Broadband access at public facilities

City of Montebello

COMMUNITY NEEDS SURVEY RESULTS SUMMARY

Q1 Would you like to complete the survey in English or Spanish? ¿Prefieres completar la encuesta en Ingles o en Español?

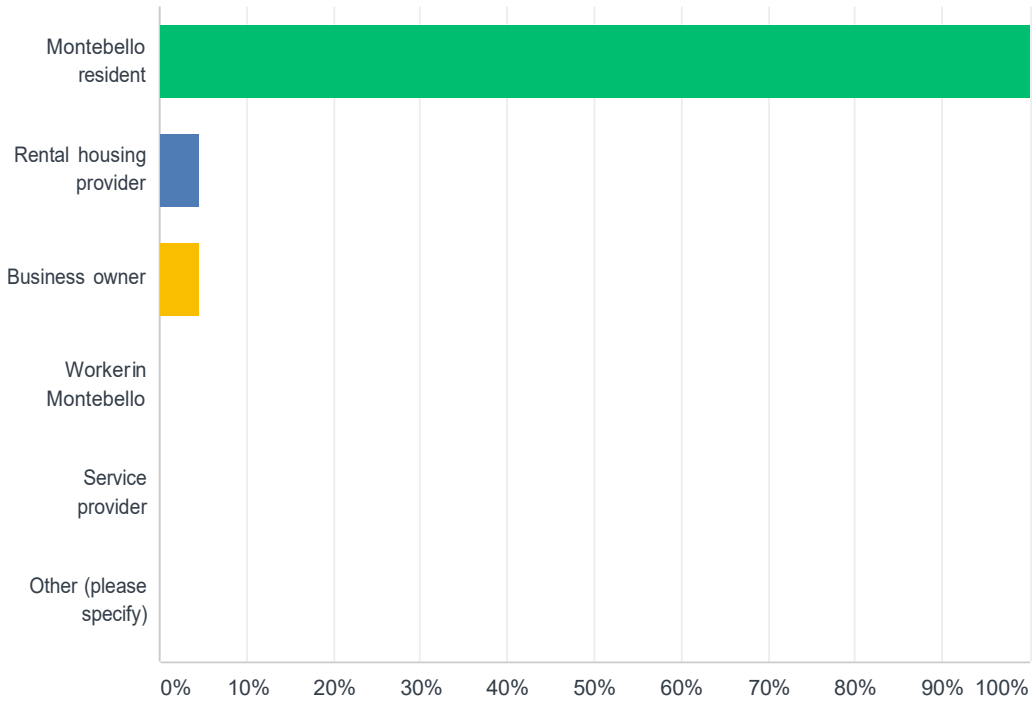
Answered: 33 Skipped: 1



ANSWER CHOICES	RESPONSES	
English/Ingles	78.79%	26
Spanish/Espanol	21.21%	7
TOTAL		33

Q2 1. Are you a

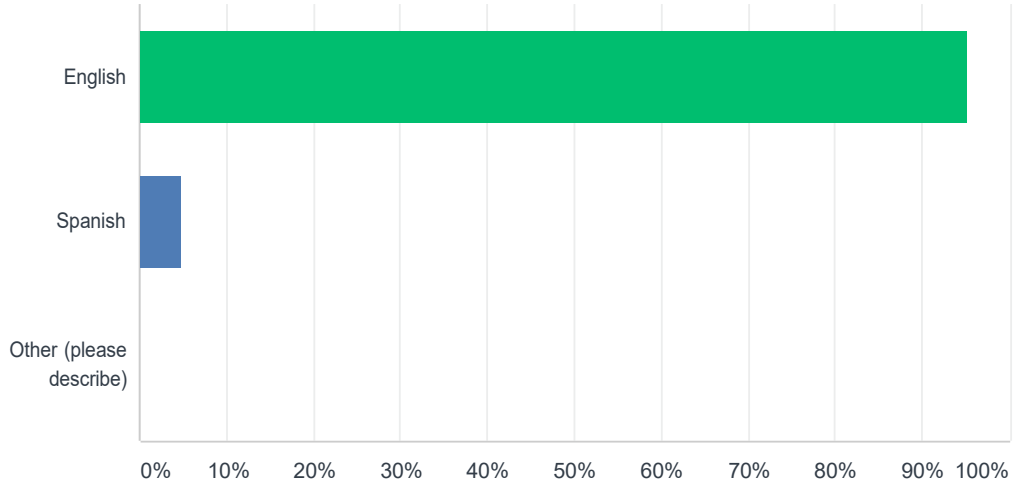
Answered: 22 Skipped: 12



ANSWER CHOICES	RESPONSES	
Montebello resident	100.00%	22
Rental housing provider	4.55%	1
Business owner	4.55%	1
Worker in Montebello	0.00%	0
Service provider	0.00%	0
Other (please specify)	0.00%	0
Total Respondents: 22		

Q3 2. What is the primary language you speak at home?

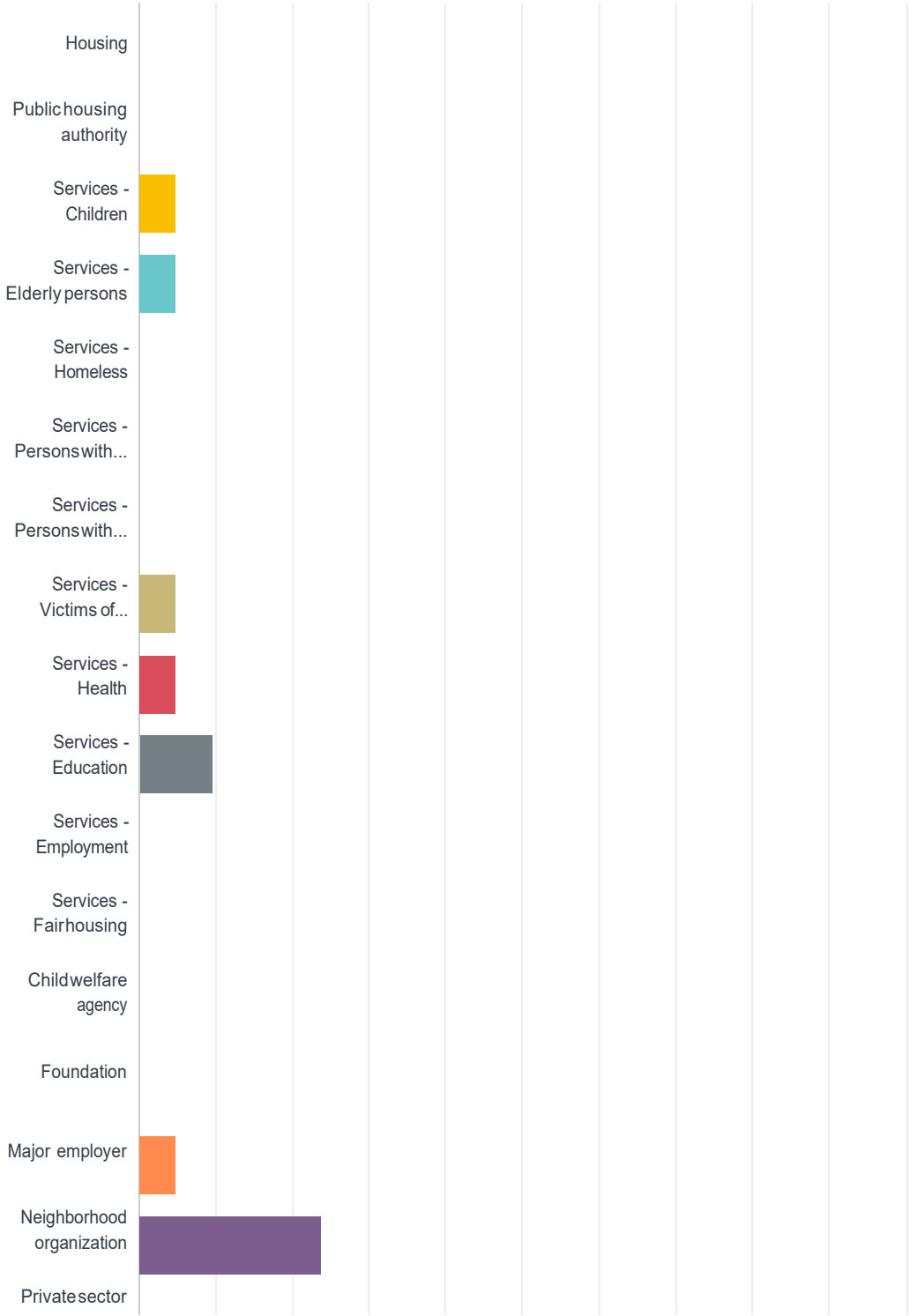
Answered: 21 Skipped: 13

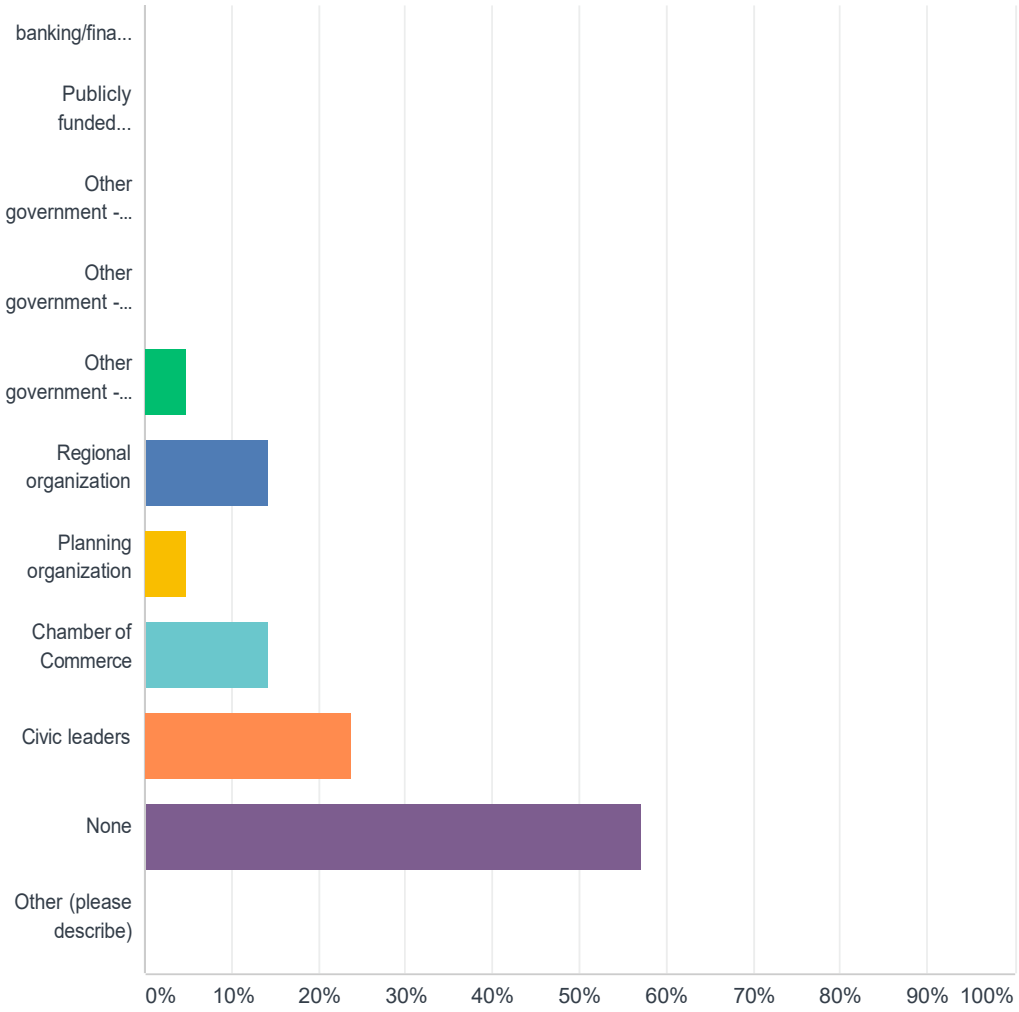


ANSWER CHOICES	RESPONSES	
English	95.24%	20
Spanish	4.76%	1
Other (please describe)	0.00%	0
TOTAL		21

Q4 3. Please indicate if you are affiliated with any of the organization types listed below. If other, please specify.*Organizations that may discharge persons into homelessness, such as health-care facilities, mental health facilities, foster care, and other youth facilities, and corrections programs and institutions

Answered: 21 Skipped: 13

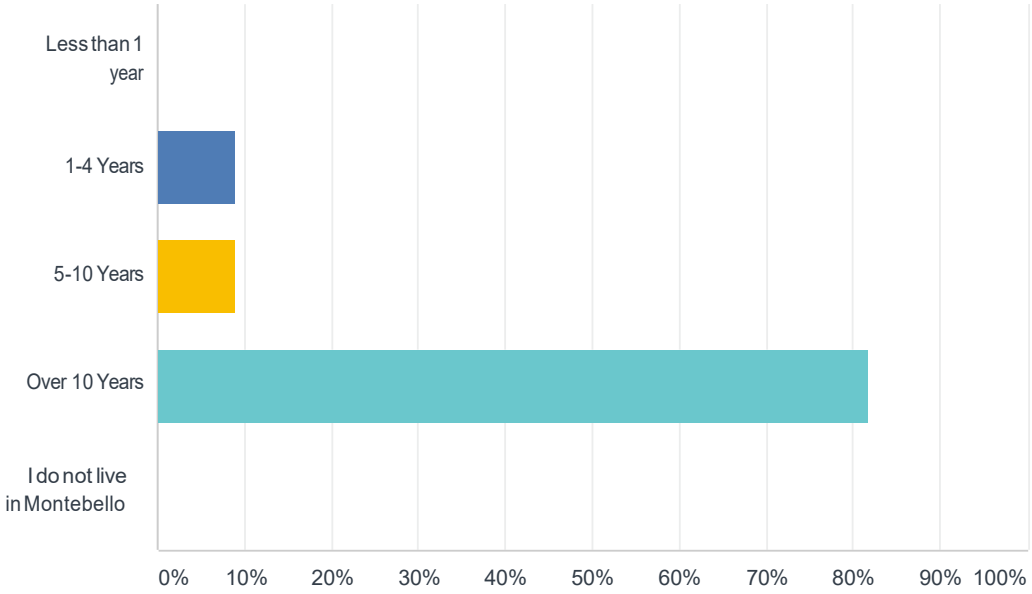



banking/fina...
Publicly funded...
Other government -...
Other government -...
Other government -...
Regional organization
Planning organization
Chamber of Commerce
Civic leaders
None
Other (please describe)
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

ANSWER CHOICES	RESPONSES	
Housing	0.00%	0
Public housing authority	0.00%	0
Services - Children	4.76%	1
Services - Elderly persons	4.76%	1
Services - Homeless	0.00%	0
Services - Persons with disabilities	0.00%	0
Services - Persons with HIV/AIDS	0.00%	0
Services - Victims of domestic violence	4.76%	1
Services - Health	4.76%	1
Services - Education	9.52%	2
Services - Employment	0.00%	0
Services - Fair housing	0.00%	0
Child welfare agency	0.00%	0
Foundation	0.00%	0
Major employer	4.76%	1
Neighborhood organization	23.81%	5
Private sector banking/financing	0.00%	0
Publicly funded institution/system of care*	0.00%	0
Other government - Federal	0.00%	0
Other government - State	0.00%	0
Other government - Local	4.76%	1
Regional organization	14.29%	3
Planning organization	4.76%	1
Chamber of Commerce	14.29%	3
Civic leaders	23.81%	5
None	57.14%	12
Other (please describe)	0.00%	0
Total Respondents: 21		

Q5 4. How long have you lived in the City of Montebello?

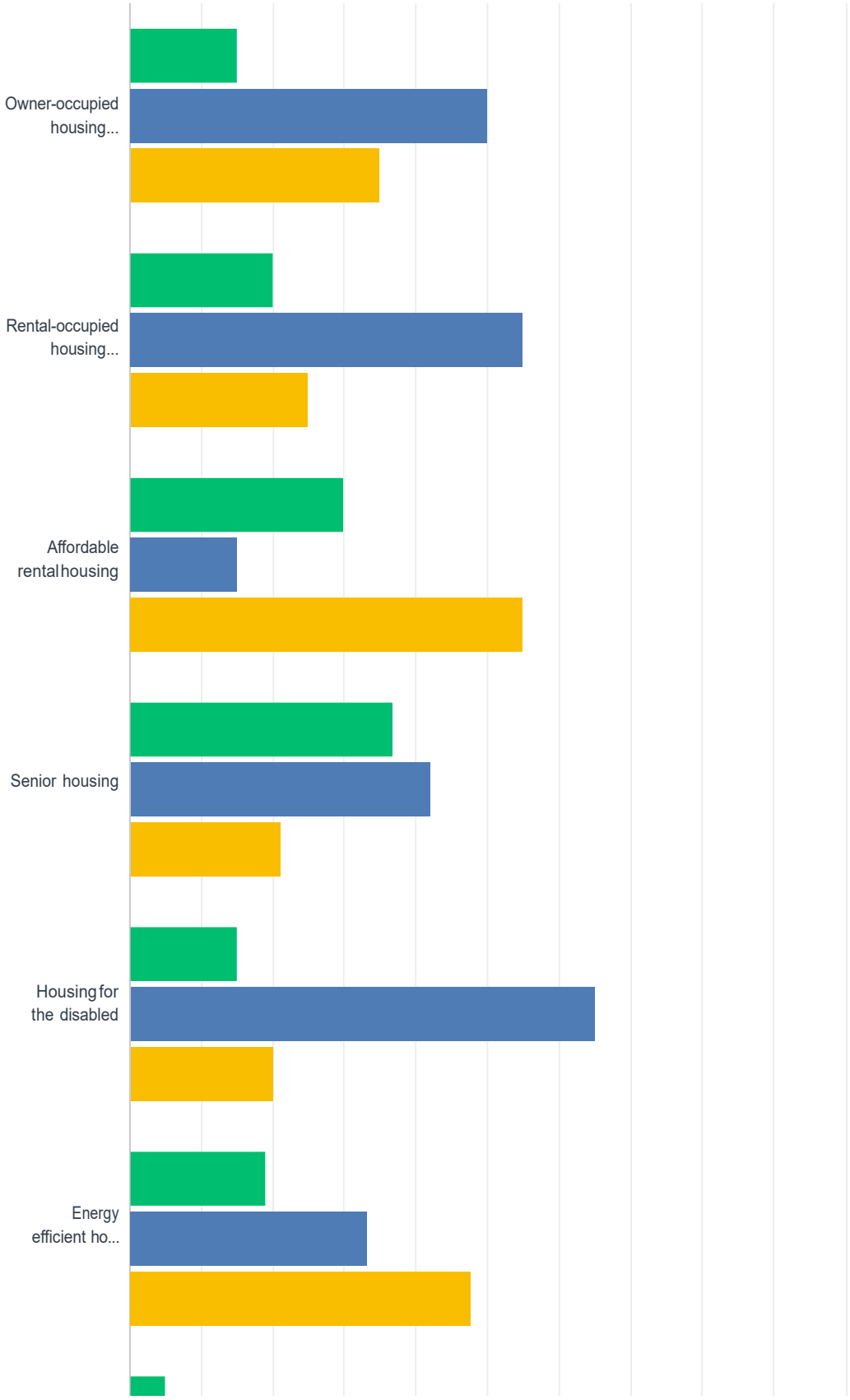
Answered: 22 Skipped: 12

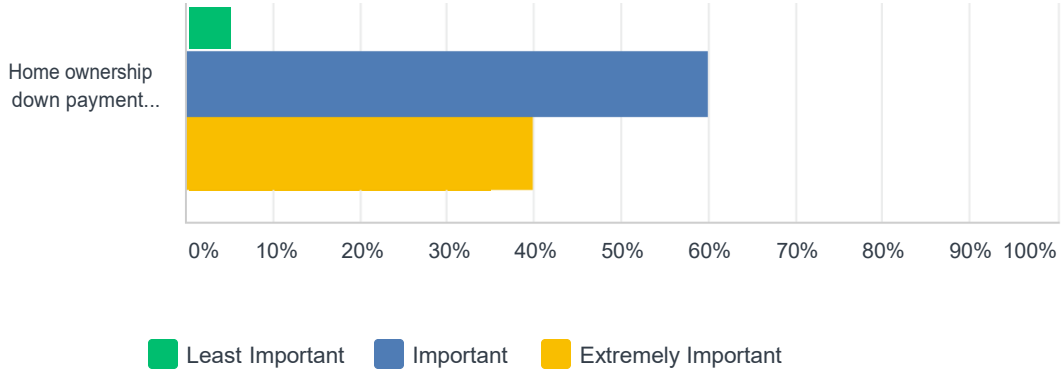


ANSWER CHOICES	RESPONSES	
Less than 1 year	0.00%	0
1-4 Years	9.09%	2
5-10 Years	9.09%	2
Over 10 Years	81.82%	18
I do not live in Montebello	0.00%	0
TOTAL		22

Q6 5. Housing Needs

Answered: 21 Skipped: 13

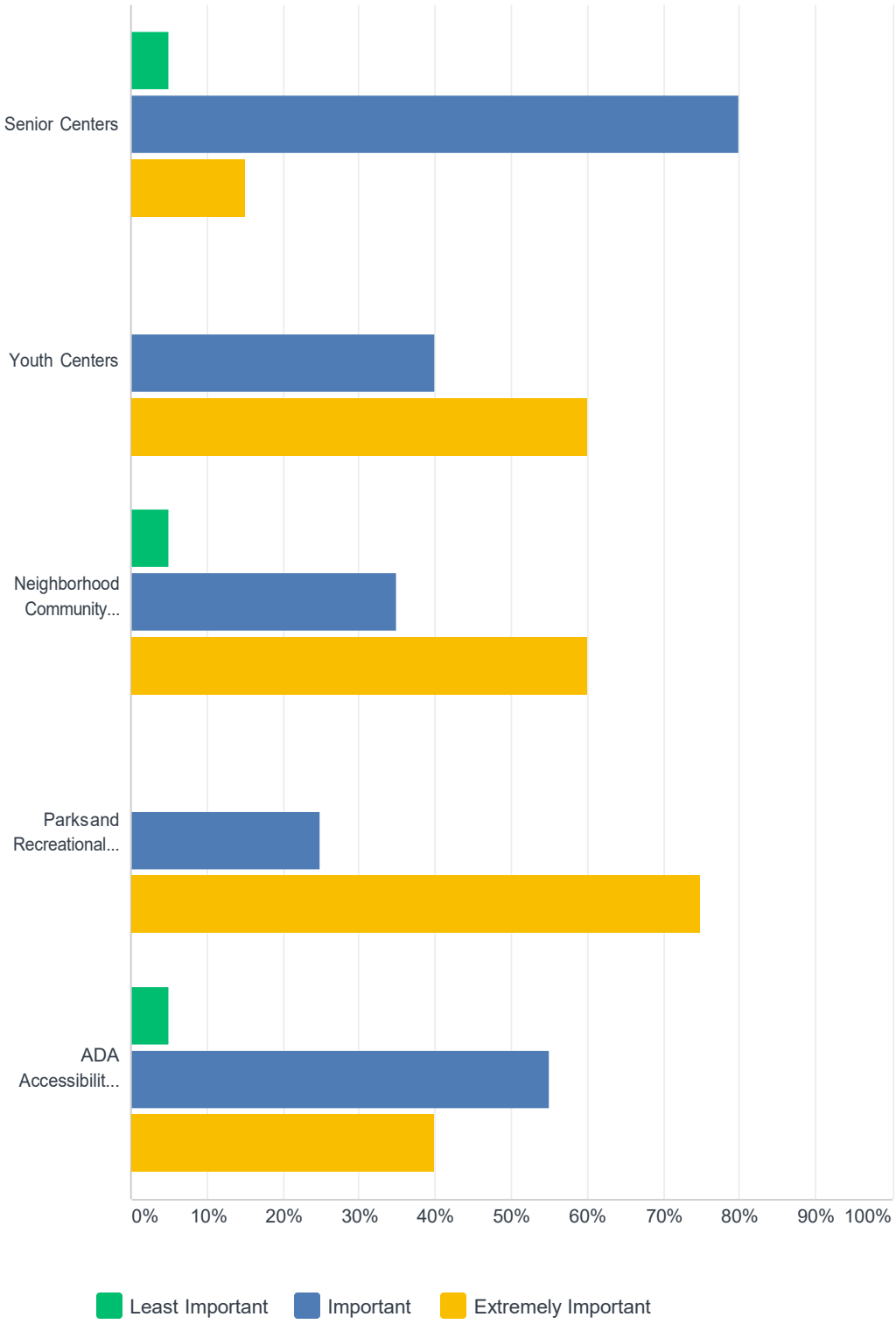




	LEAST IMPORTANT	IMPORTANT	EXTREMELY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Owner-occupied housing rehabilitation	15.00% 3	50.00% 10	35.00% 7	20	3.05
Rental-occupied housing rehabilitation	20.00% 4	55.00% 11	25.00% 5	20	2.85
Affordable rental housing	30.00% 6	15.00% 3	55.00% 11	20	2.95
Senior housing	36.84% 7	42.11% 8	21.05% 4	19	2.47
Housing for the disabled	15.00% 3	65.00% 13	20.00% 4	20	2.90
Energy efficient home improvements	19.05% 4	33.33% 7	47.62% 10	21	3.10
Home ownership down payment assistance	5.00% 1	60.00% 12	35.00% 7	20	3.25

Q7 6. Community Facility Needs

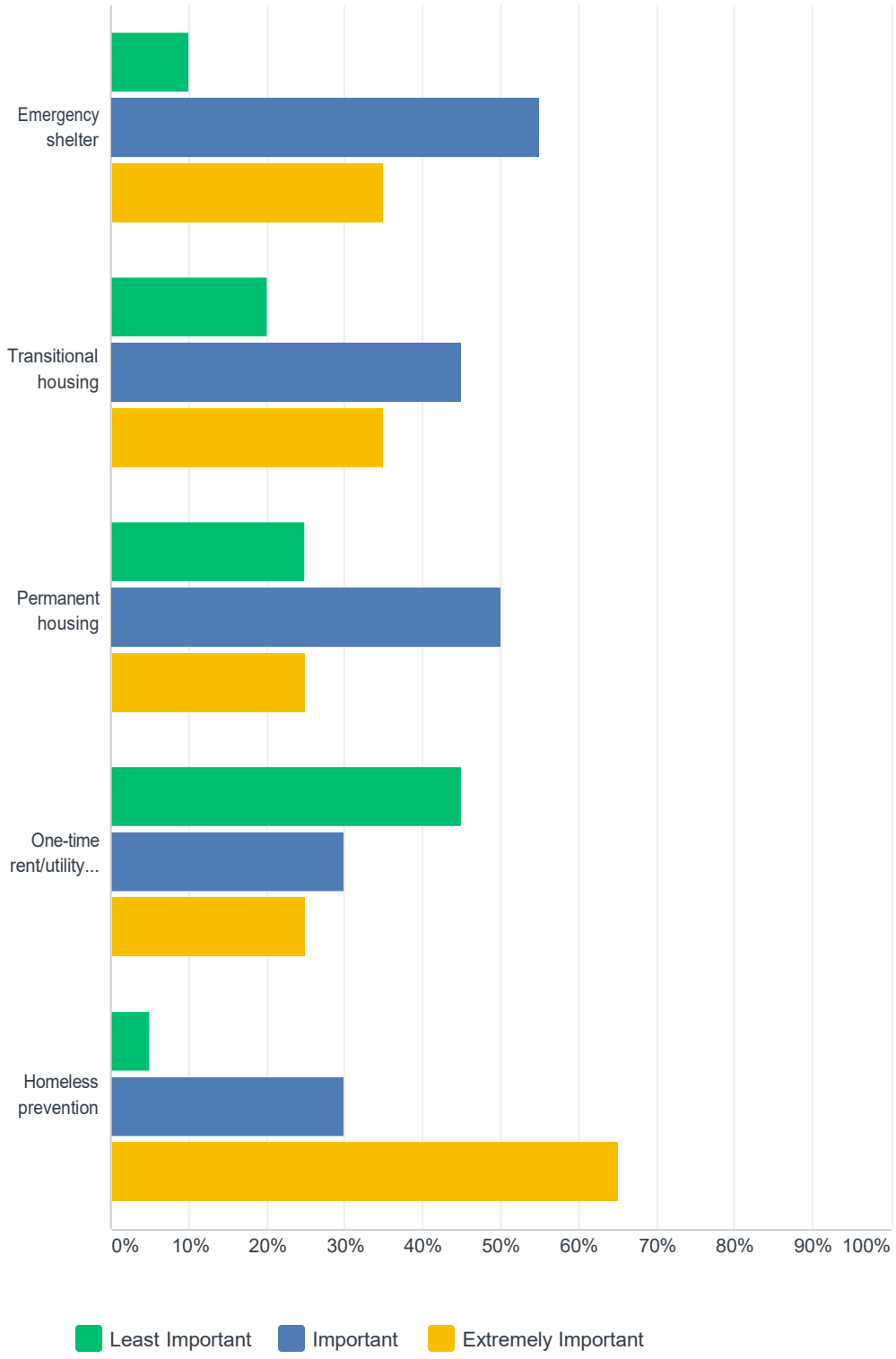
Answered: 20 Skipped: 14



	LEAST IMPORTANT	IMPORTANT	EXTREMELY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Senior Centers	5.00% 1	80.00% 16	15.00% 3	20	3.05
Youth Centers	0.00% 0	40.00% 8	60.00% 12	20	3.60
Neighborhood Community Center	5.00% 1	35.00% 7	60.00% 12	20	3.50
Parks and Recreational Facilities	0.00% 0	25.00% 5	75.00% 15	20	3.75
ADA Accessibility Improvements to public roads/facilities	5.00% 1	55.00% 11	40.00% 8	20	3.30

Q8 7. Homeless Housing Needs

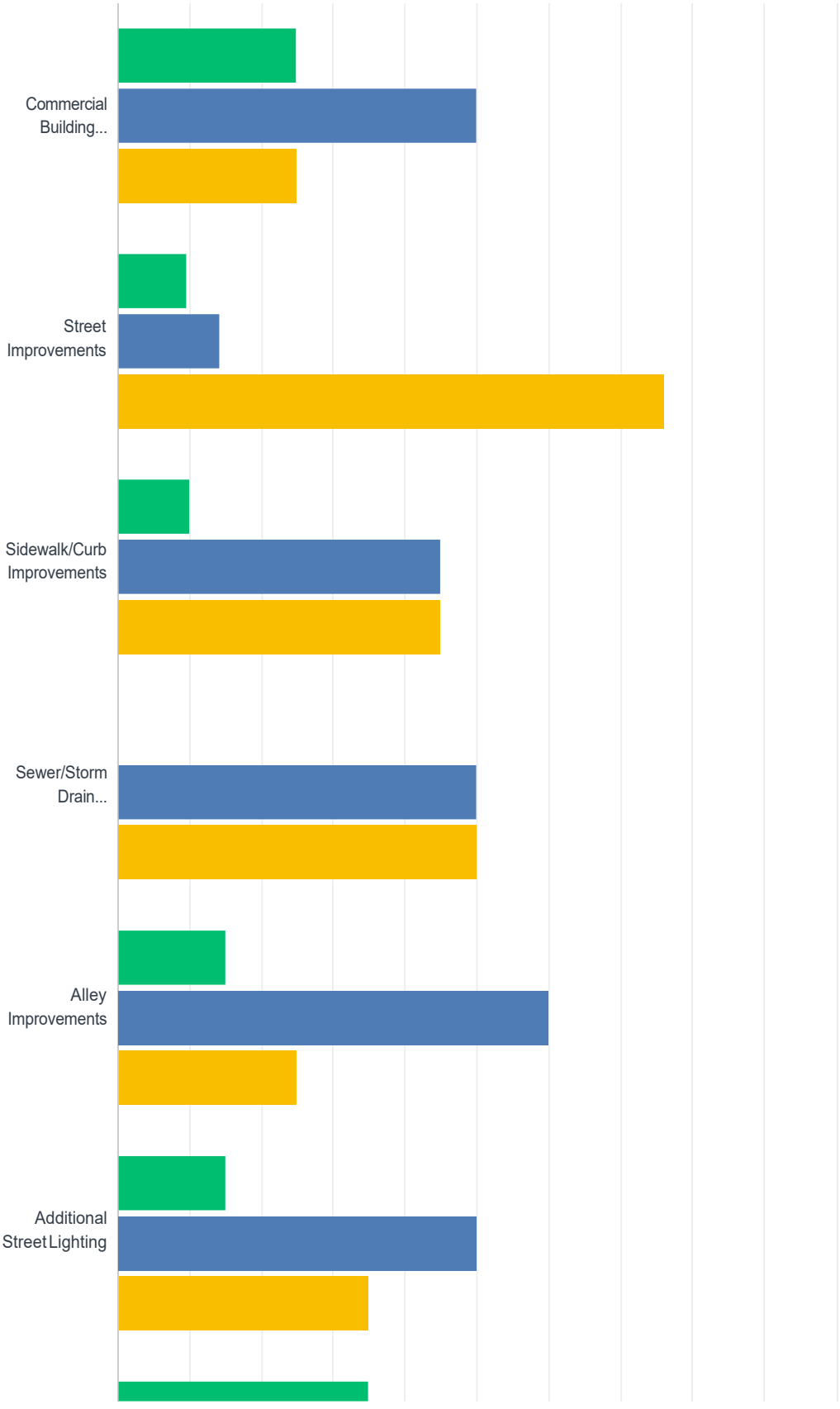
Answered: 20 Skipped: 14

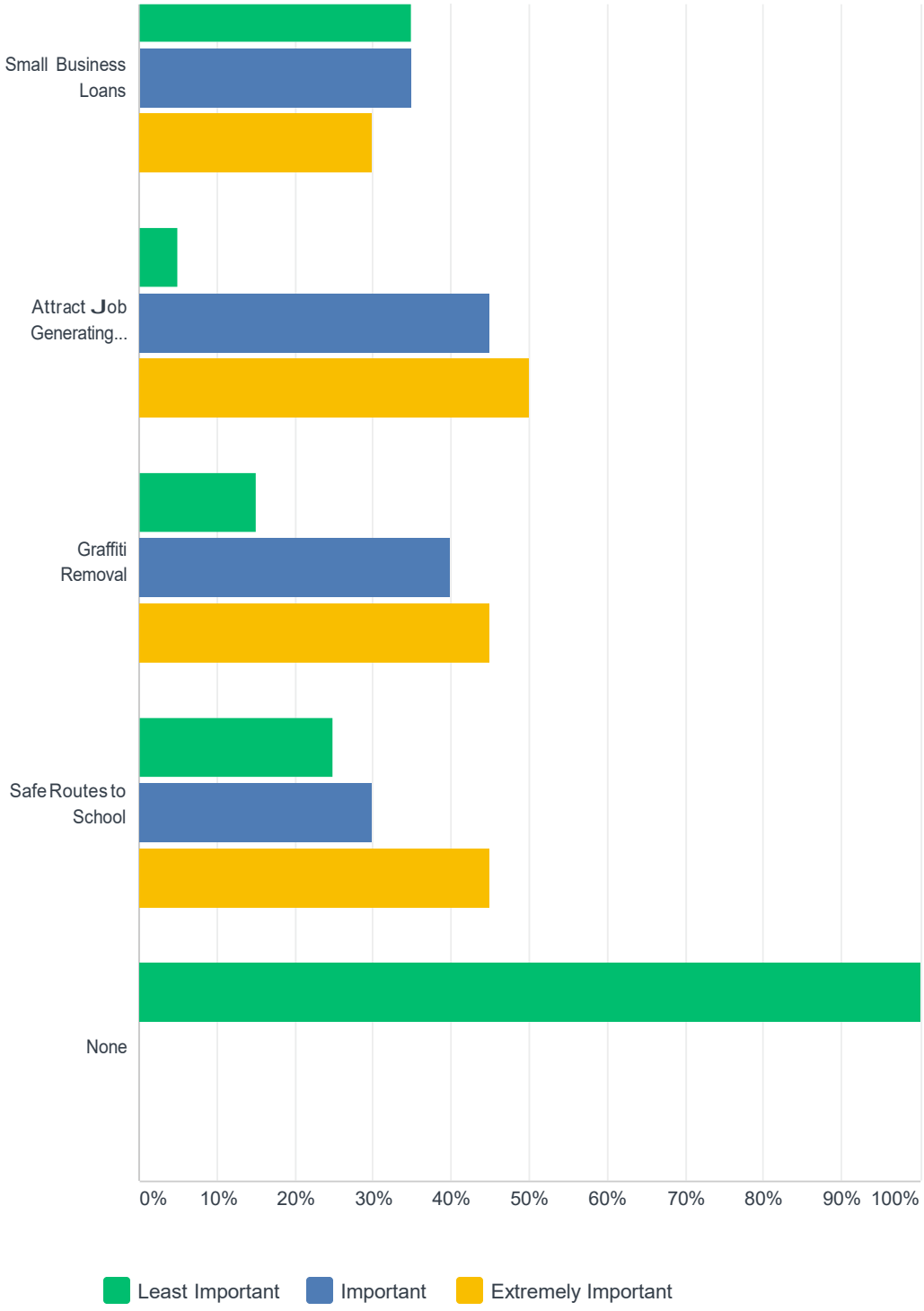


	LEAST IMPORTANT	IMPORTANT	EXTREMELY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Emergency shelter	10.00% 2	55.00% 11	35.00% 7	20	3.15
Transitional housing	20.00% 4	45.00% 9	35.00% 7	20	2.95
Permanent housing	25.00% 5	50.00% 10	25.00% 5	20	2.75
One-time rent/utility payments	45.00% 9	30.00% 6	25.00% 5	20	2.35
Homeless prevention	5.00% 1	30.00% 6	65.00% 13	20	3.55

Q9 8. Neighborhood Improvement Needs

Answered: 21 Skipped: 13

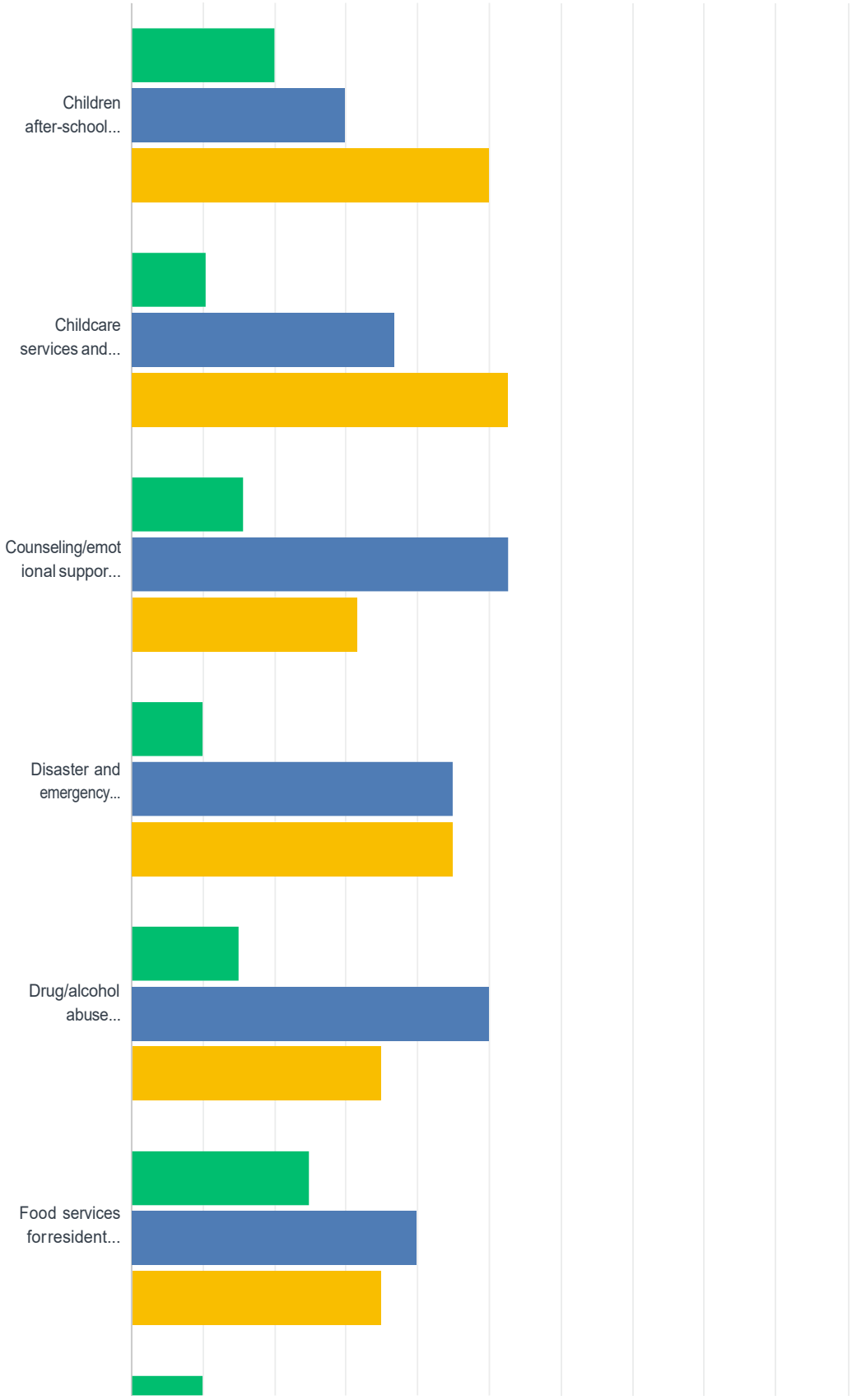


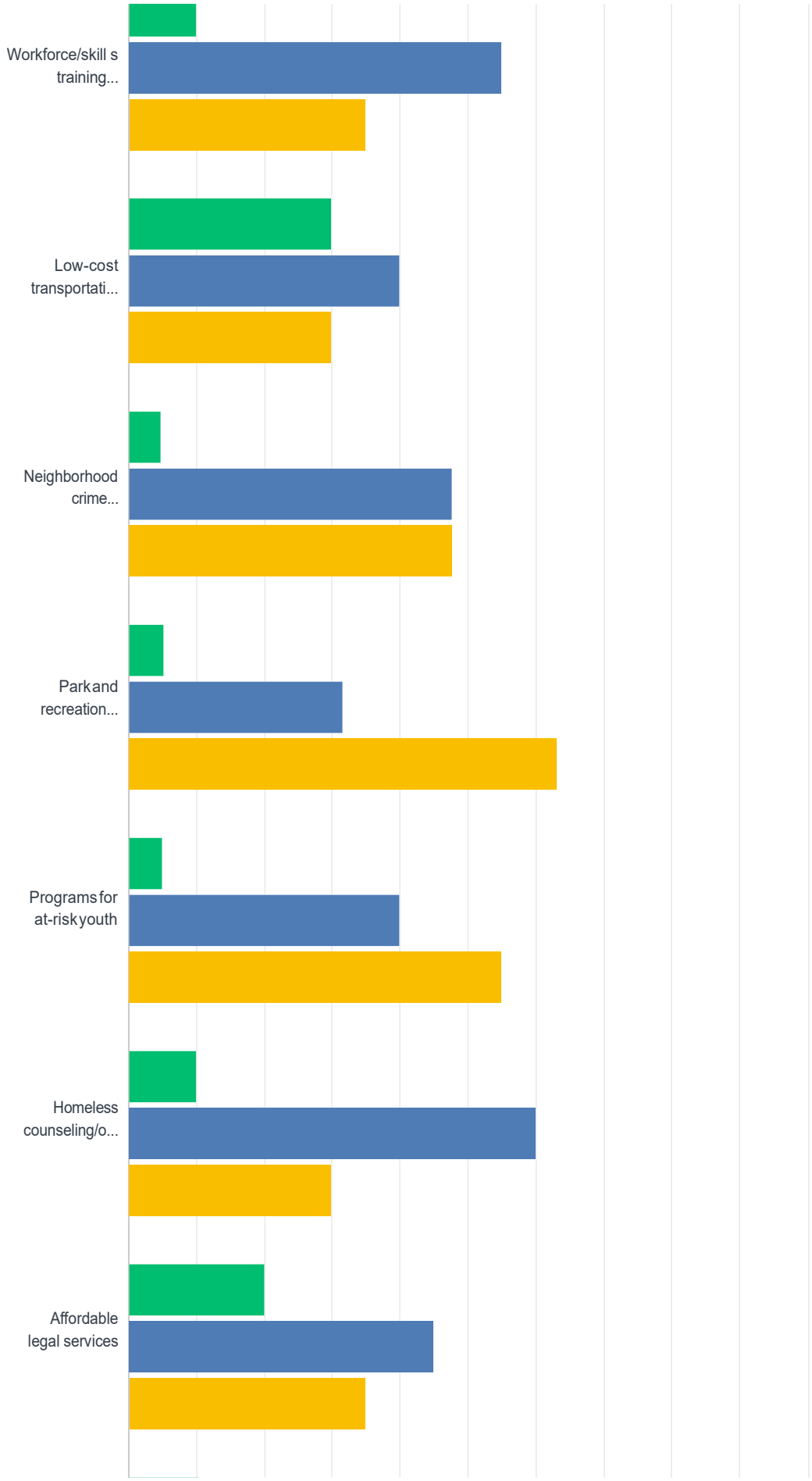

Small Business Loans
Attract Job Generating...
Graffiti Removal
Safe Routes to School
None
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Least Important
Important
Extremely Important

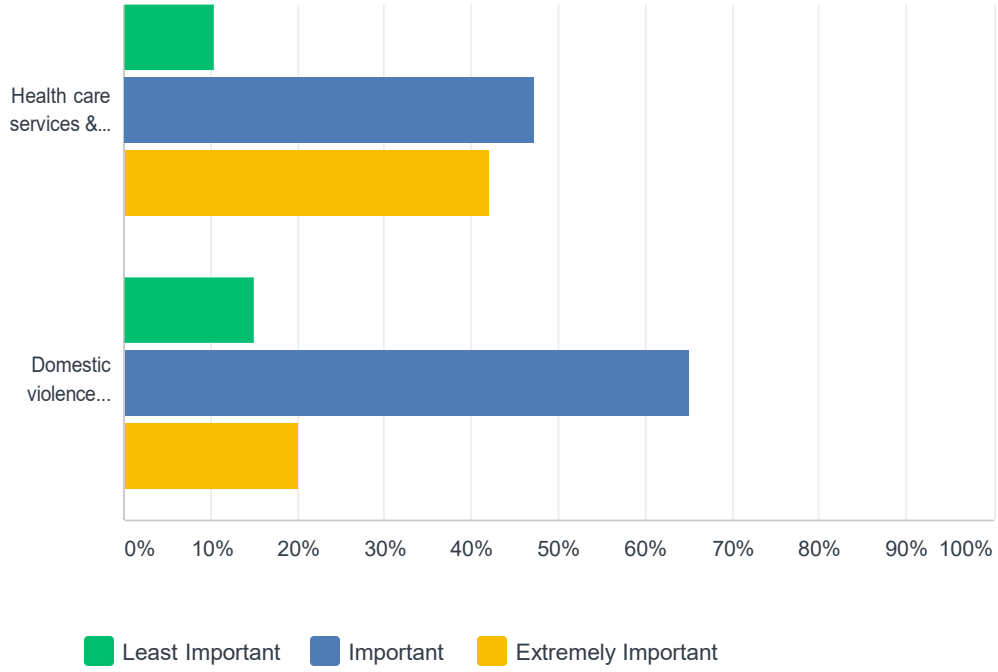
	LEAST IMPORTANT	IMPORTANT	EXTREMELY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Commercial Building Rehabilitation	25.00% 5	50.00% 10	25.00% 5	20	2.75
Street Improvements	9.52% 2	14.29% 3	76.19% 16	21	3.57
Sidewalk/Curb Improvements	10.00% 2	45.00% 9	45.00% 9	20	3.25
Sewer/Storm Drain Improvements	0.00% 0	50.00% 10	50.00% 10	20	3.50
Alley Improvements	15.00% 3	60.00% 12	25.00% 5	20	2.95
Additional Street Lighting	15.00% 3	50.00% 10	35.00% 7	20	3.05
Small Business Loans	35.00% 7	35.00% 7	30.00% 6	20	2.60
Attract Job Generating Businesses	5.00% 1	45.00% 9	50.00% 10	20	3.40
Graffiti Removal	15.00% 3	40.00% 8	45.00% 9	20	3.15
Safe Routes to School	25.00% 5	30.00% 6	45.00% 9	20	2.95
None	100.00% 5	0.00% 0	0.00% 0	5	1.00

Q10 9. Community Programs and Services Needs

Answered: 21 Skipped: 13



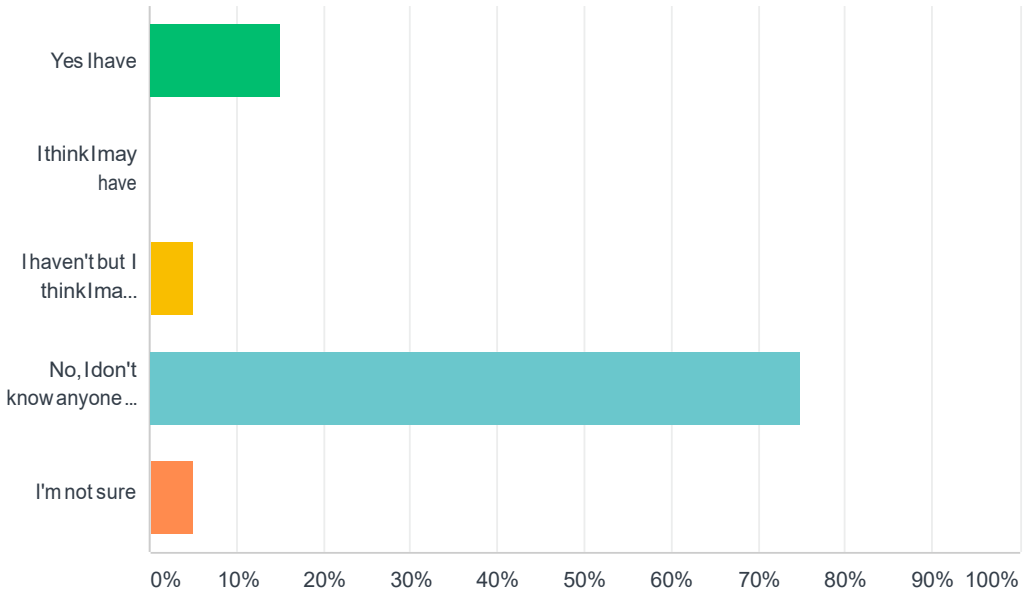

Workforce/skill s training...
Low-cost transportati...
Neighborhood crime...
Park and recreation...
Programs for at-risk youth
Homeless counseling/o...
Affordable legal services


Health care services &...
Domestic violence...
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Least Important
Important
Extremely Important

	LEAST IMPORTANT	IMPORTANT	EXTREMELY IMPORTANT	TOTAL	WEIGHTED AVERAGE
Children after-school/summer camp programs & services	20.00% 4	30.00% 6	50.00% 10	20	2.30
Childcare services and facilities	10.53% 2	36.84% 7	52.63% 10	19	2.42
Counseling/emotional support services	15.79% 3	52.63% 10	31.58% 6	19	2.16
Disaster and emergency preparedness services	10.00% 2	45.00% 9	45.00% 9	20	2.35
Drug/alcohol abuse counseling/treatment	15.00% 3	50.00% 10	35.00% 7	20	2.20
Food services for residents with special needs	25.00% 5	40.00% 8	35.00% 7	20	2.10
Workforce/skills training and/or job placement	10.00% 2	55.00% 11	35.00% 7	20	2.25
Low-cost transportation services (taxi coupons and Dial-A-Ride)	30.00% 6	40.00% 8	30.00% 6	20	2.00
Neighborhood crime prevention programs	4.76% 1	47.62% 10	47.62% 10	21	2.43
Park and recreation programs	5.26% 1	31.58% 6	63.16% 12	19	2.58
Programs for at-risk youth	5.00% 1	40.00% 8	55.00% 11	20	2.50
Homeless counseling/outreach services	10.00% 2	60.00% 12	30.00% 6	20	2.20
Affordable legal services	20.00% 4	45.00% 9	35.00% 7	20	2.15
Health care services & facilities	10.53% 2	47.37% 9	42.11% 8	19	2.32
Domestic violence counseling	15.00% 3	65.00% 13	20.00% 4	20	2.05

Q11 10. Have you or someone you know ever encountered any of the forms of housing discrimination described above?

Answered: 20 Skipped: 14



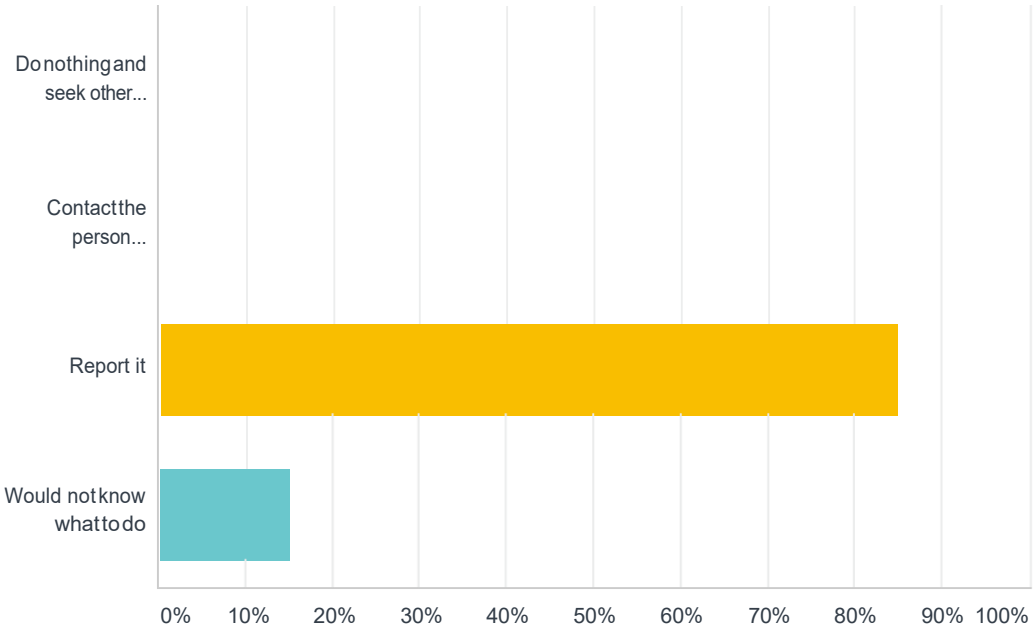
ANSWER CHOICES	RESPONSES	
Yes I have	15.00%	3
I think I may have	0.00%	0
I haven't but I think I may know someone who has	5.00%	1
No, I don't know anyone who has	75.00%	15
I'm not sure	5.00%	1
TOTAL		20

Q12 11. If you believe you or someone you know has encountered housing discrimination, please describe.

Answered: 7 Skipped: 27

Q13 12. What would you do if you encountered housing discrimination?

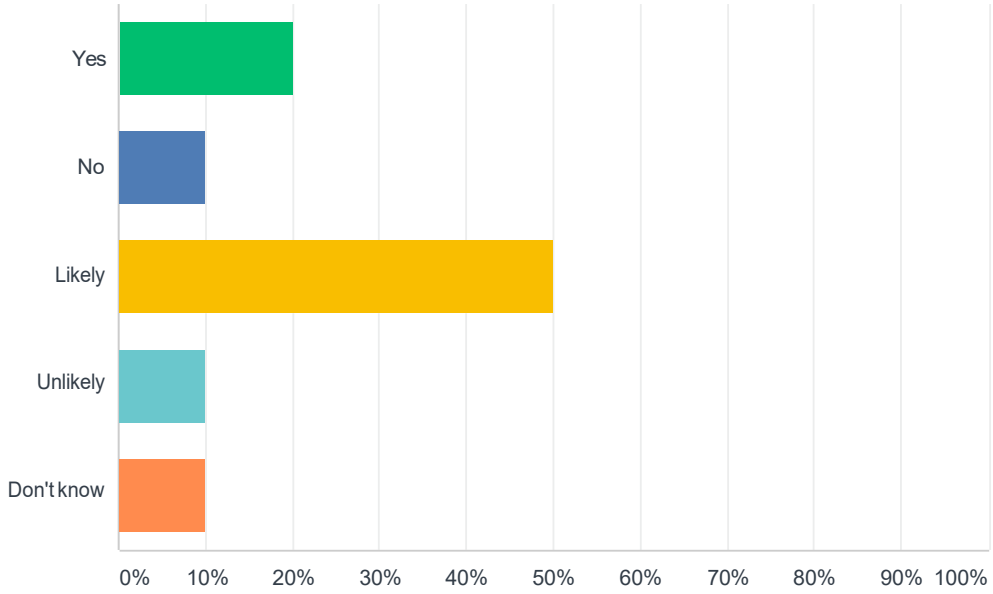
Answered: 20 Skipped: 14



ANSWER CHOICES	RESPONSES	
Do nothing and seek other housing options	0.00%	0
Contact the person responsible and let them know they are discriminating	0.00%	0
Report it	85.00%	17
Would not know what to do	15.00%	3
TOTAL		20

Q14 13. Do you believe housing discrimination occurs in Montebello?

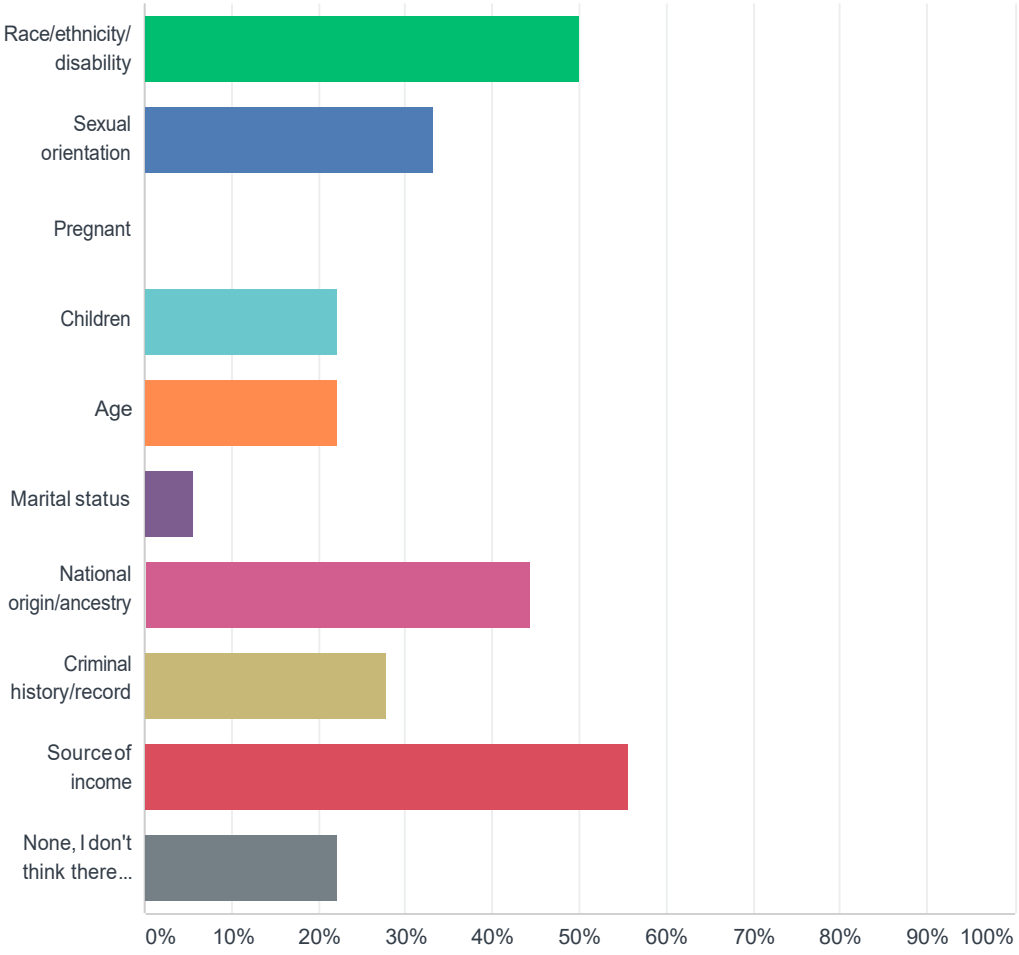
Answered: 20 Skipped: 14



ANSWER CHOICES	RESPONSES	
Yes	20.00%	4
No	10.00%	2
Likely	50.00%	10
Unlikely	10.00%	2
Don't know	10.00%	2
TOTAL		20

Q15 14. If you think housing discrimination is occurring, what types of discrimination do you think are most prevalent? (Please select all that apply)

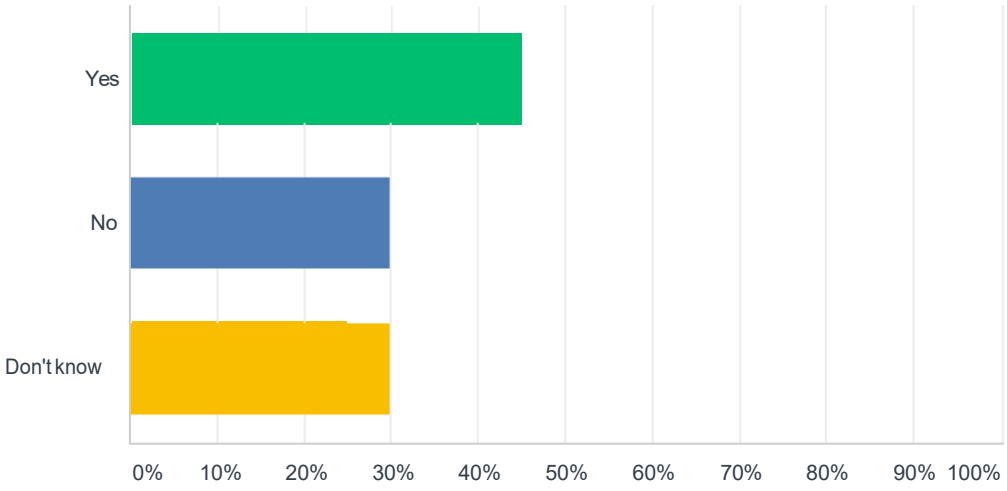
Answered: 18 Skipped: 16



ANSWER CHOICES	RESPONSES	
Race/ethnicity/disability	50.00%	9
Sexual orientation	33.33%	6
Pregnant	0.00%	0
Children	22.22%	4
Age	22.22%	4
Marital status	5.56%	1
National origin/ancestry	44.44%	8
Criminal history/record	27.78%	5
Source of income	55.56%	10
None, I don't think there is any housing discrimination	22.22%	4
Total Respondents: 18		

Q16 15. Are you aware of a tenant's right to request, from a landlord, a physical change to make a home more accessible if necessary due to a disability (called "reasonable accommodation"?

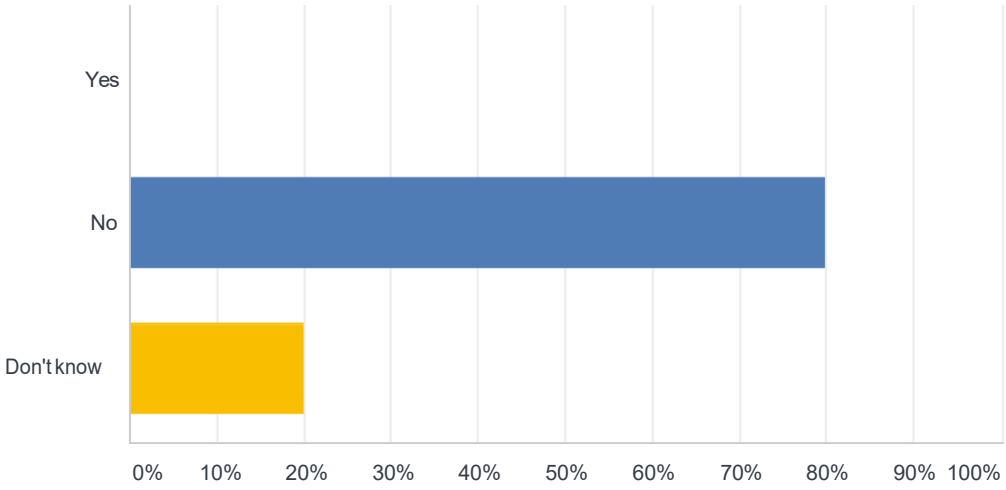
Answered: 20 Skipped: 14



ANSWER CHOICES	RESPONSES	
Yes	45.00%	9
No	30.00%	6
Don't know	25.00%	5
TOTAL		20

Q17 16. Have you, or someone you know, ever made a request for a reasonable accommodation?

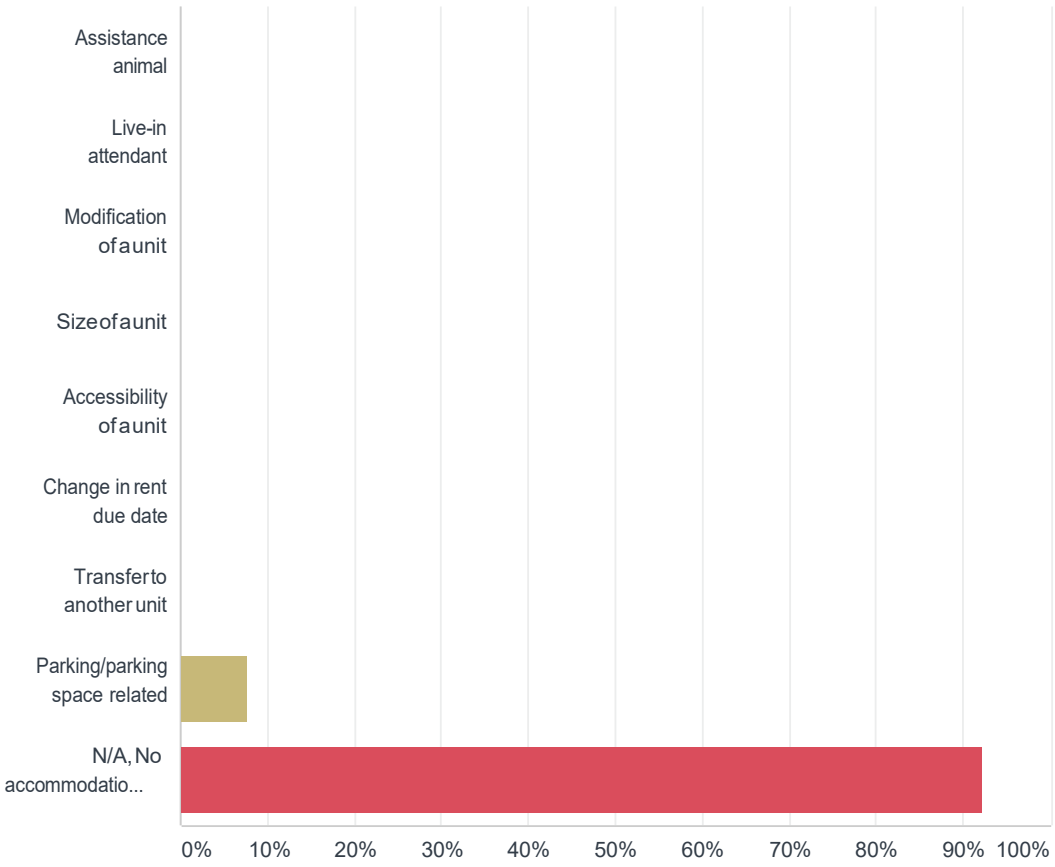
Answered: 20 Skipped: 14



ANSWER CHOICES	RESPONSES	
Yes	0.00%	0
No	80.00%	16
Don't know	20.00%	4
TOTAL		20

Q18 17. If yes, what type of accommodation and/or modification did you or the person you know request?

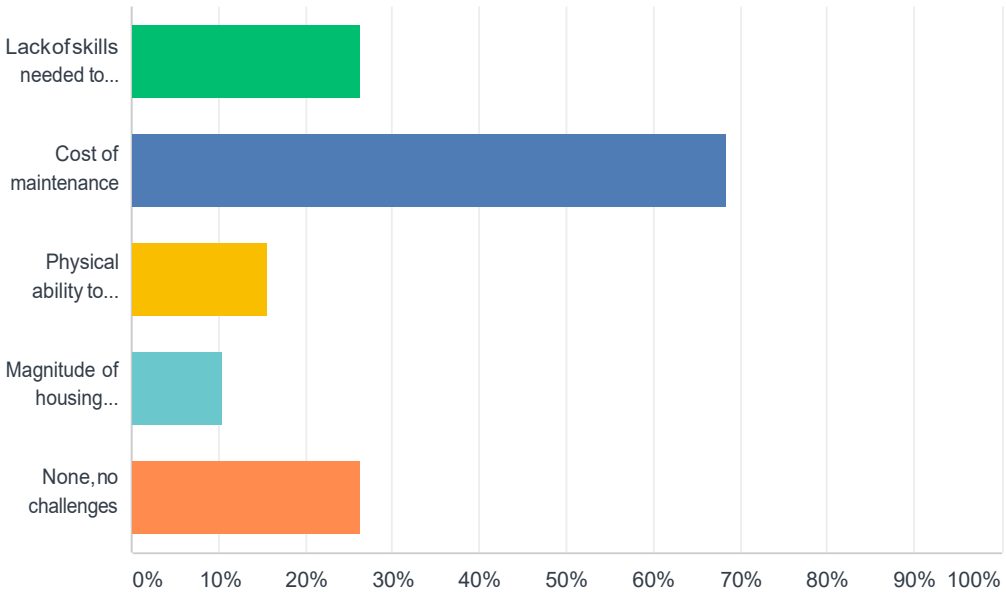
Answered: 13 Skipped: 21



ANSWER CHOICES	RESPONSES	
Assistance animal	0.00%	0
Live-in attendant	0.00%	0
Modification of a unit	0.00%	0
Size of a unit	0.00%	0
Accessibility of a unit	0.00%	0
Change in rent due date	0.00%	0
Transfer to another unit	0.00%	0
Parking/parking space related	7.69%	1
N/A, No accommodation requested	92.31%	12
TOTAL		13

Q19 18. What are the most pressing challenges you have with maintaining your home? (Select no more than two)

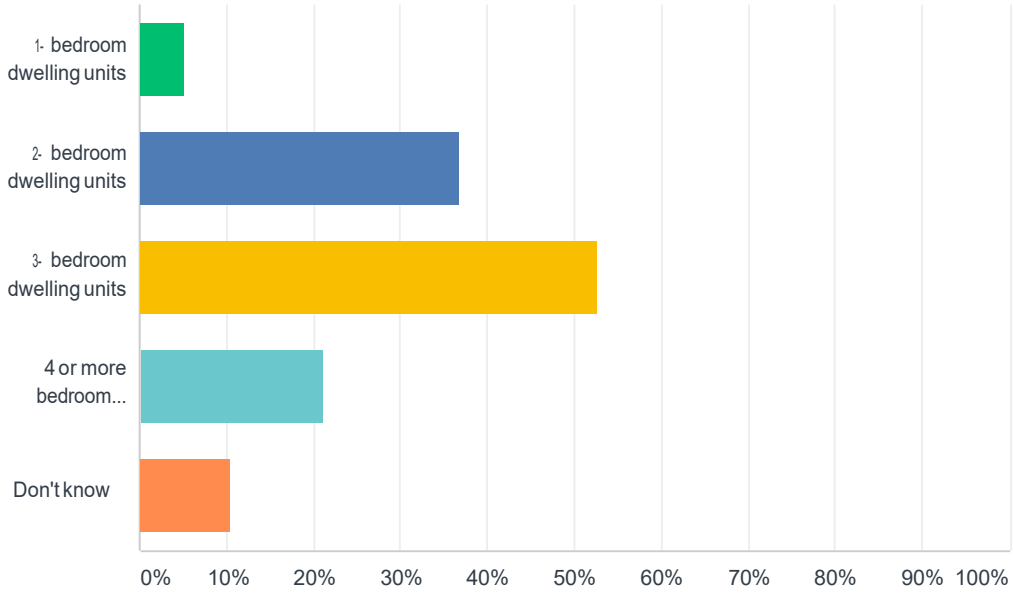
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
Lack of skills needed to maintain	26.32%	5
Cost of maintenance	68.42%	13
Physical ability to maintain your home	15.79%	3
Magnitude of housing problems is overwhelming	10.53%	2
None, no challenges	26.32%	5
Total Respondents: 19		

Q20 19. What size of housing units are most needed in the City of Montebello?

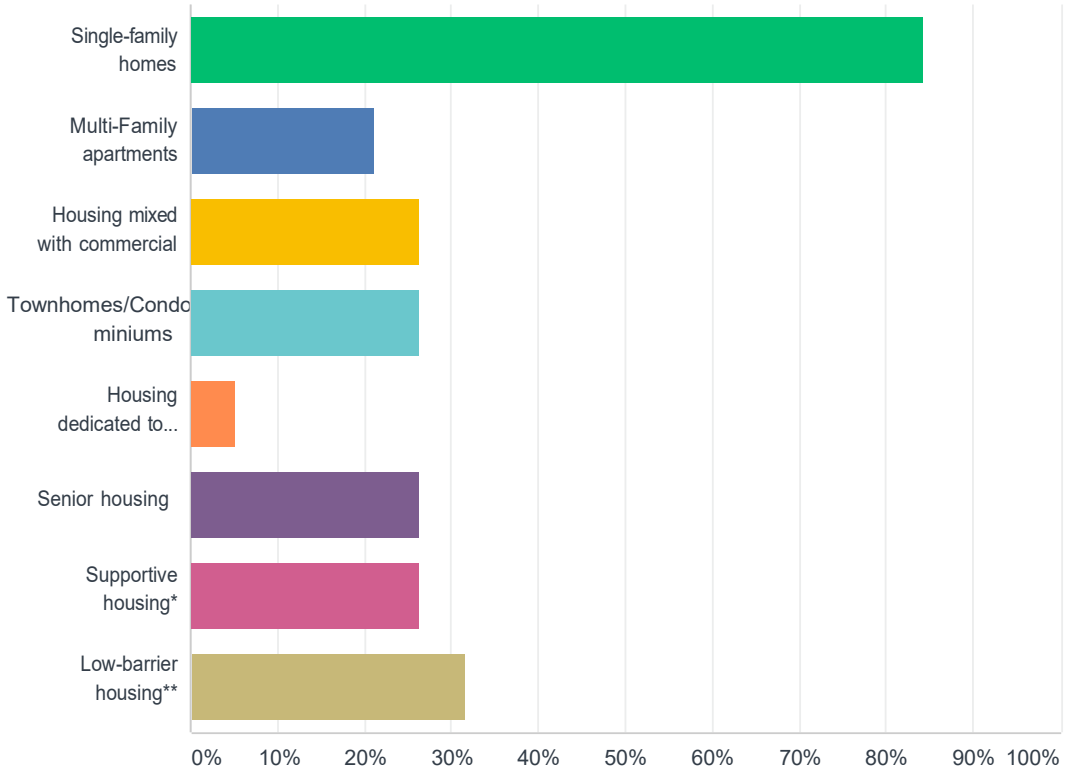
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
1-bedroom dwelling units	5.26%	1
2-bedroom dwelling units	36.84%	7
3-bedroom dwelling units	52.63%	10
4 or more bedroom dwelling units	21.05%	4
Don't know	10.53%	2
Total Respondents: 19		

Q21 20. What type of housing is most needed in the City of Montebello? (Select all that apply)

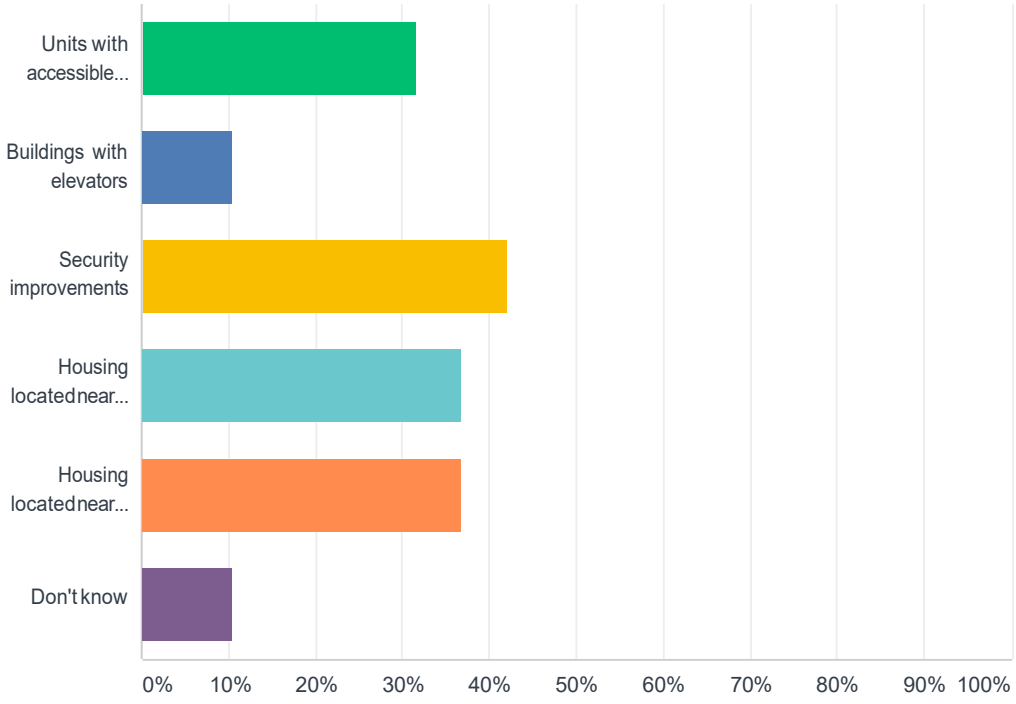
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
Single-family homes	84.21%	16
Multi-Family apartments	21.05%	4
Housing mixed with commercial	26.32%	5
Townhomes/Condominiums	26.32%	5
Housing dedicated to those with mental and physical disabilities	5.26%	1
Senior housing	26.32%	5
Supportive housing*	26.32%	5
Low-barrier housing**	31.58%	6
Total Respondents: 19		

Q22 21. What housing amenities do you think are needed in Montebello?

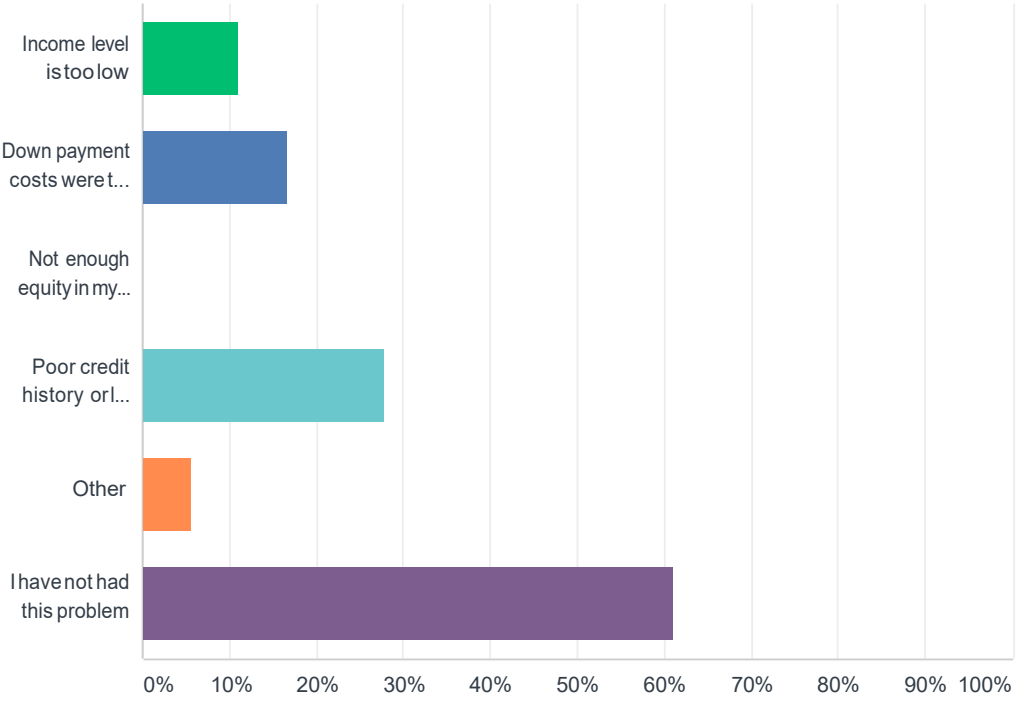
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
Units with accessible kitchens and bathrooms	31.58%	6
Buildings with elevators	10.53%	2
Security improvements	42.11%	8
Housing located near transit	36.84%	7
Housing located near schools and parks	36.84%	7
Don't know	10.53%	2
Total Respondents: 19		

Q23 22. If you have ever applied for a home loan and your application was NOT approved, which of the following reasons were you given?

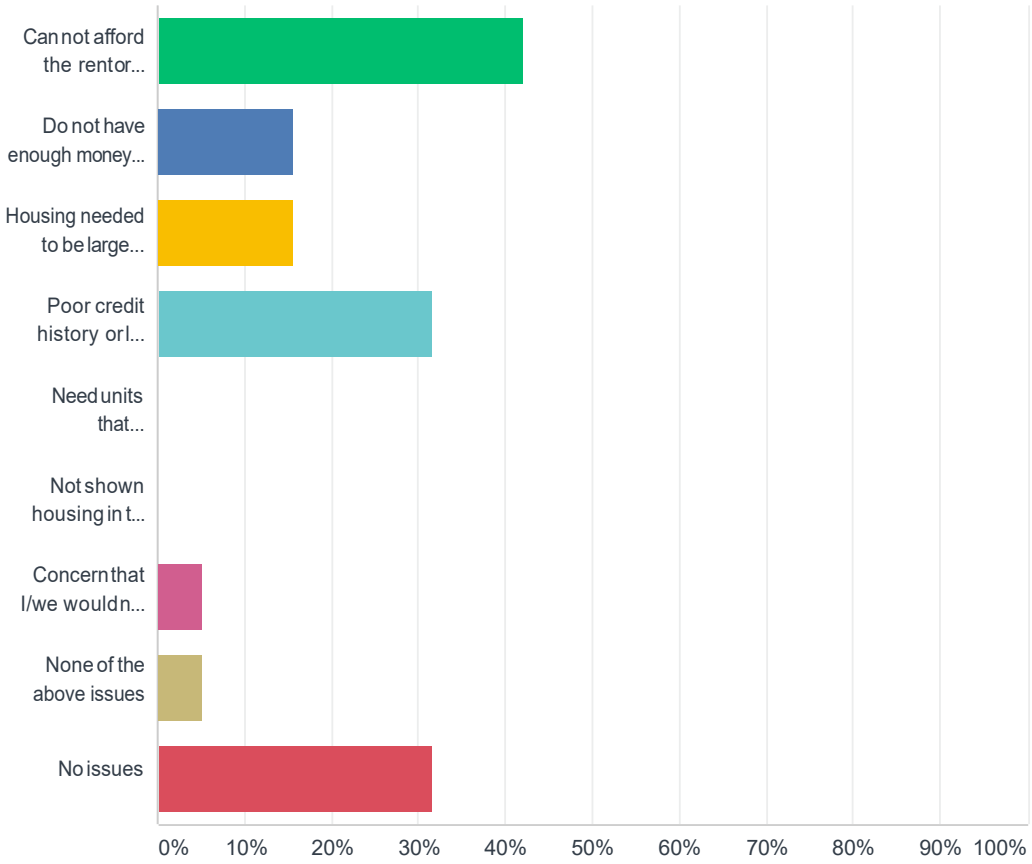
Answered: 18 Skipped: 16



ANSWER CHOICES	RESPONSES	
Income level is too low	11.11%	2
Down payment costs were too high	16.67%	3
Not enough equity in my property	0.00%	0
Poor credit history or low credit score	27.78%	5
Other	5.56%	1
I have not had this problem	61.11%	11
Total Respondents: 18		

Q24 23. Which of the following issues, if any, have limited your housing options in a preferred neighborhood or area in Montebello? (Please select no more than 3)

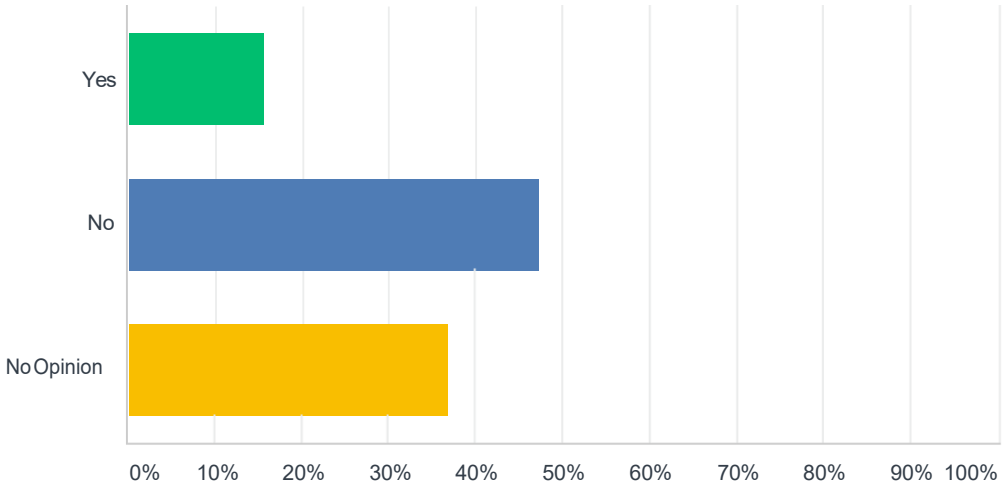
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
Can not afford the rent or mortgage in a preferred neighborhood	42.11%	8
Do not have enough money for a security deposit	15.79%	3
Housing needed to be large enough for my/our household	15.79%	3
Poor credit history or low credit score	31.58%	6
Need units that accommodate a disability (i.e. wheelchair accessible)	0.00%	0
Not shown housing in the neighborhood(s) I/we wanted to move to	0.00%	0
Concern that I/we would not be welcome in the neighborhood	5.26%	1
None of the above issues	5.26%	1
No issues	31.58%	6
Total Respondents: 19		

Q25 24. Do you feel local land use regulations support the development of affordable housing?

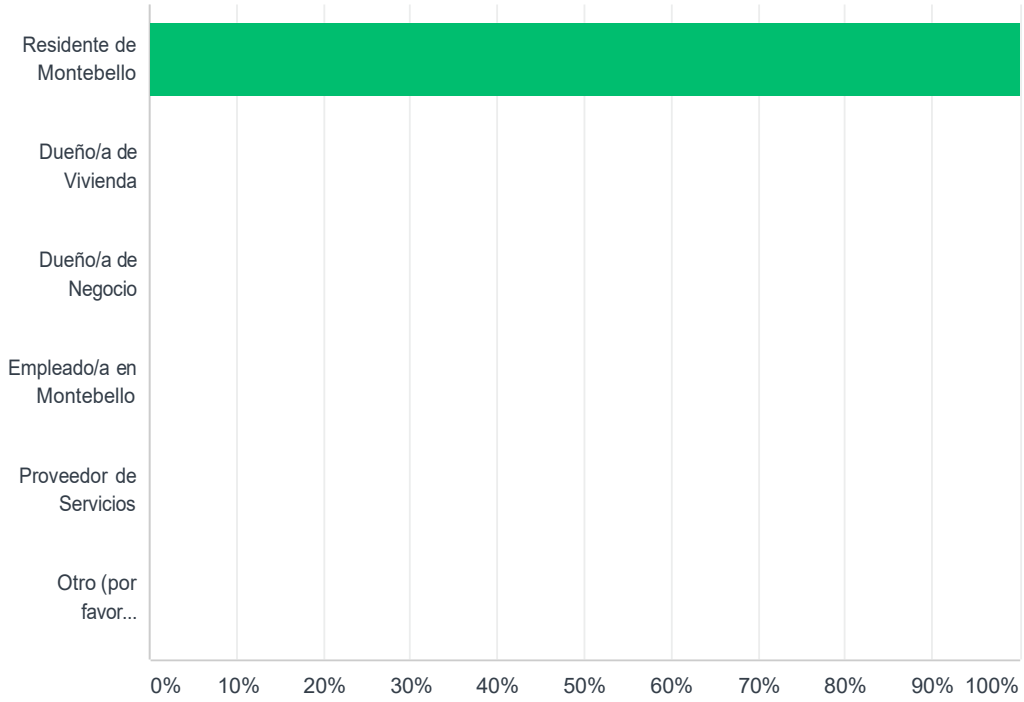
Answered: 19 Skipped: 15



ANSWER CHOICES	RESPONSES	
Yes	15.79%	3
No	47.37%	9
No Opinion	36.84%	7
TOTAL		19

Q26 1. Por favor seleccione todas las respuestas que apliquen. ¿Es usted:

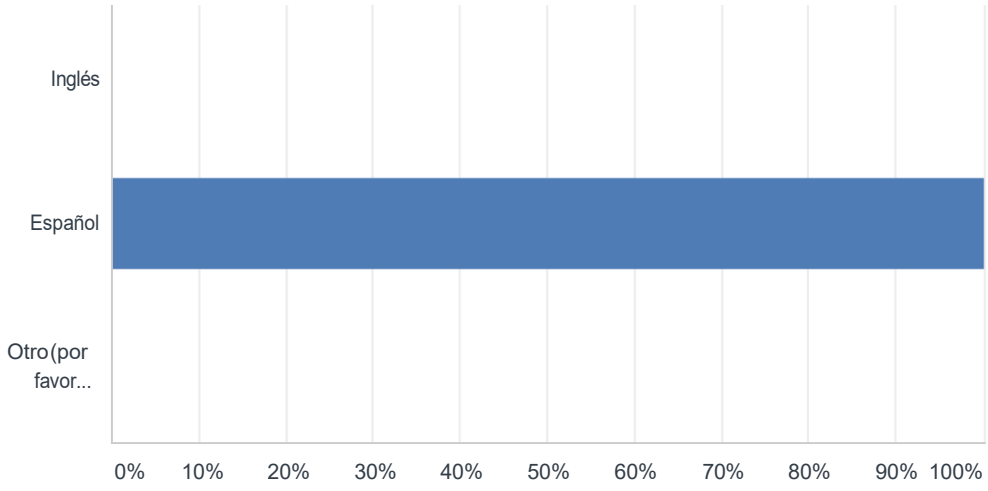
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Residente de Montebello	100.00%	1
Dueño/a de Vivienda	0.00%	0
Dueño/a de Negocio	0.00%	0
Empleado/a en Montebello	0.00%	0
Proveedor de Servicios	0.00%	0
Otro (por favor especifique)	0.00%	0
Total Respondents: 1		

Q27 2. ¿Cuál es el idioma principal que habla en casa?

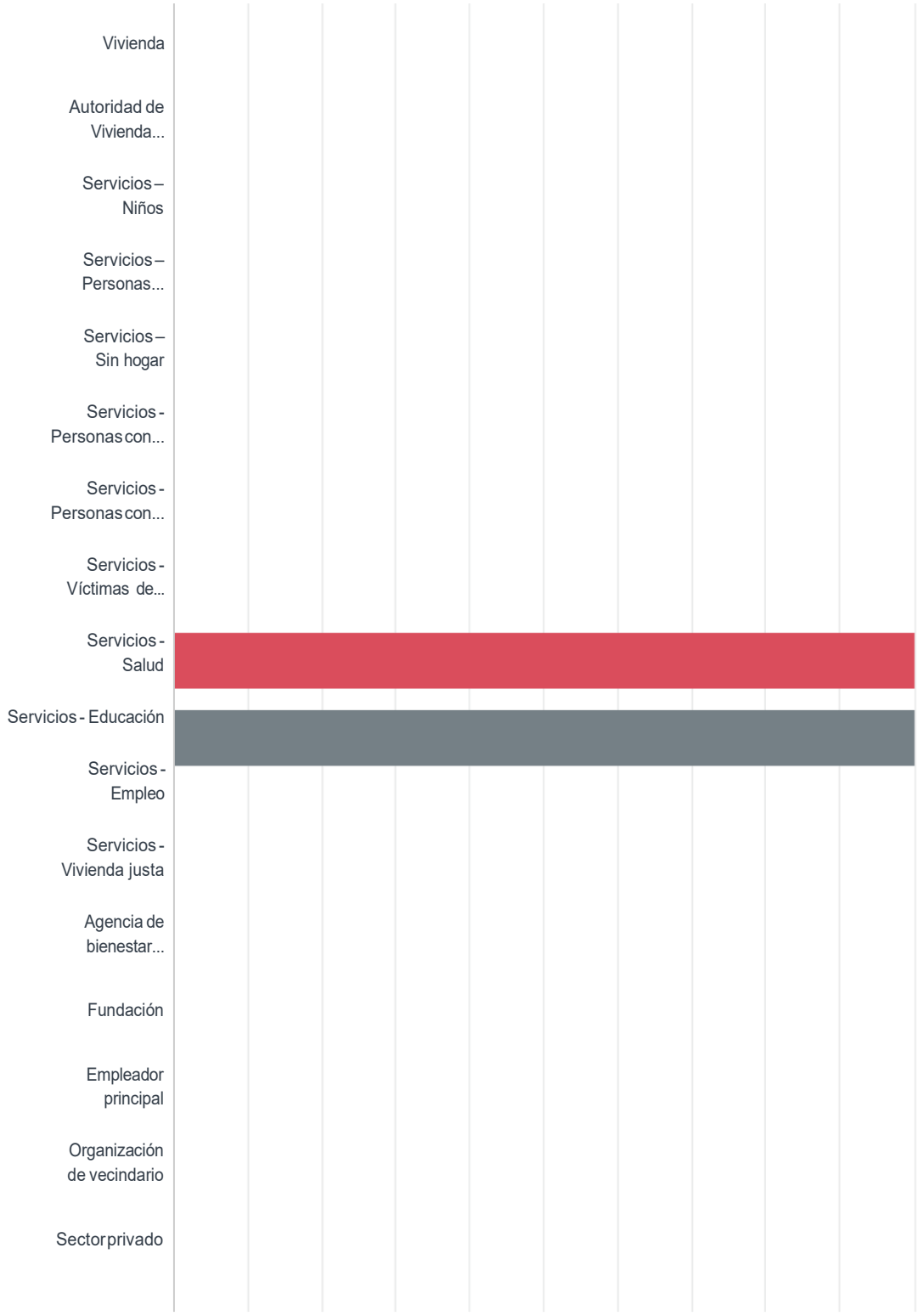
Answered: 1 Skipped: 33

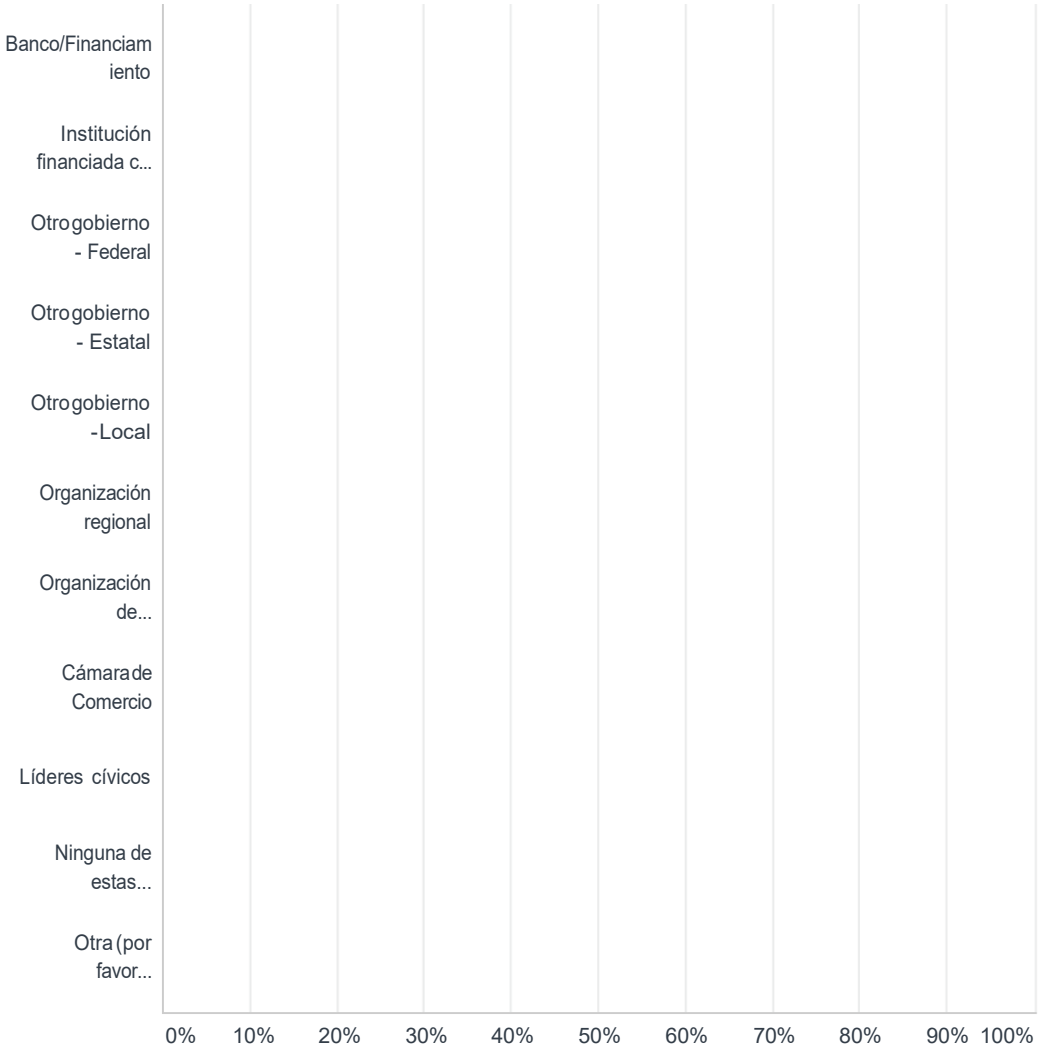


ANSWER CHOICES	RESPONSES	
Inglés	0.00%	0
Español	100.00%	1
Otro (por favor especifique)	0.00%	0
TOTAL		1

Q28 3. Por favor indique con cuales de estas organizaciones está usted afiliado/a.*Organizaciones que pueden dar de alta a personas sin hogar, como centros de salud, centros de salud mental, orfanatos y otros centros juveniles, y programas e instituciones correccionales.

Answered: 1 Skipped: 33

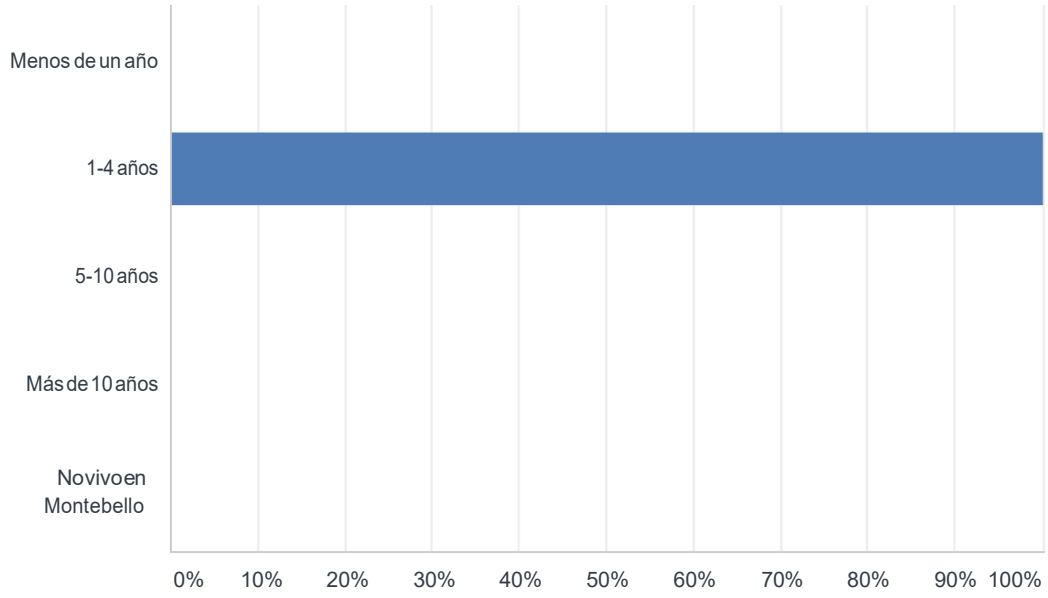



Banco/Financiamiento
Institución financiada c...
Otro gobierno - Federal
Otro gobierno - Estatal
Otro gobierno -Local
Organización regional
Organización de...
Cámara de Comercio
Líderes cívicos
Ninguna de estas...
Otra (por favor...
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

ANSWER CHOICES	RESPONSES	
Vivienda	0.00%	0
Autoridad de Vivienda Publica	0.00%	0
Servicios – Niños	0.00%	0
Servicios – Personas mayores	0.00%	0
Servicios – Sin hogar	0.00%	0
Servicios - Personas con discapacidades	0.00%	0
Servicios - Personas con VIH/SIDA	0.00%	0
Servicios - Víctimas de violencia doméstica	0.00%	0
Servicios - Salud	100.00%	1
Servicios - Educación	100.00%	1
Servicios - Empleo	0.00%	0
Servicios - Vivienda justa	0.00%	0
Agencia de bienestar infantil	0.00%	0
Fundación	0.00%	0
Empleador principal	0.00%	0
Organización de vecindario	0.00%	0
Sector privado	0.00%	0
Banco/Financiamiento	0.00%	0
Institución financiada con fondos públicos/sistema de cuidado*	0.00%	0
Otro gobierno - Federal	0.00%	0
Otro gobierno - Estatal	0.00%	0
Otro gobierno - Local	0.00%	0
Organización regional	0.00%	0
Organización de planificación	0.00%	0
Cámara de Comercio	0.00%	0
Líderes cívicos	0.00%	0
Ninguna de estas organizaciones	0.00%	0
Otra (por favor especifique)	0.00%	0
Total Respondents: 1		

Q29 4. ¿Cuánto tiempo ha vivido en la ciudad de Montebello?

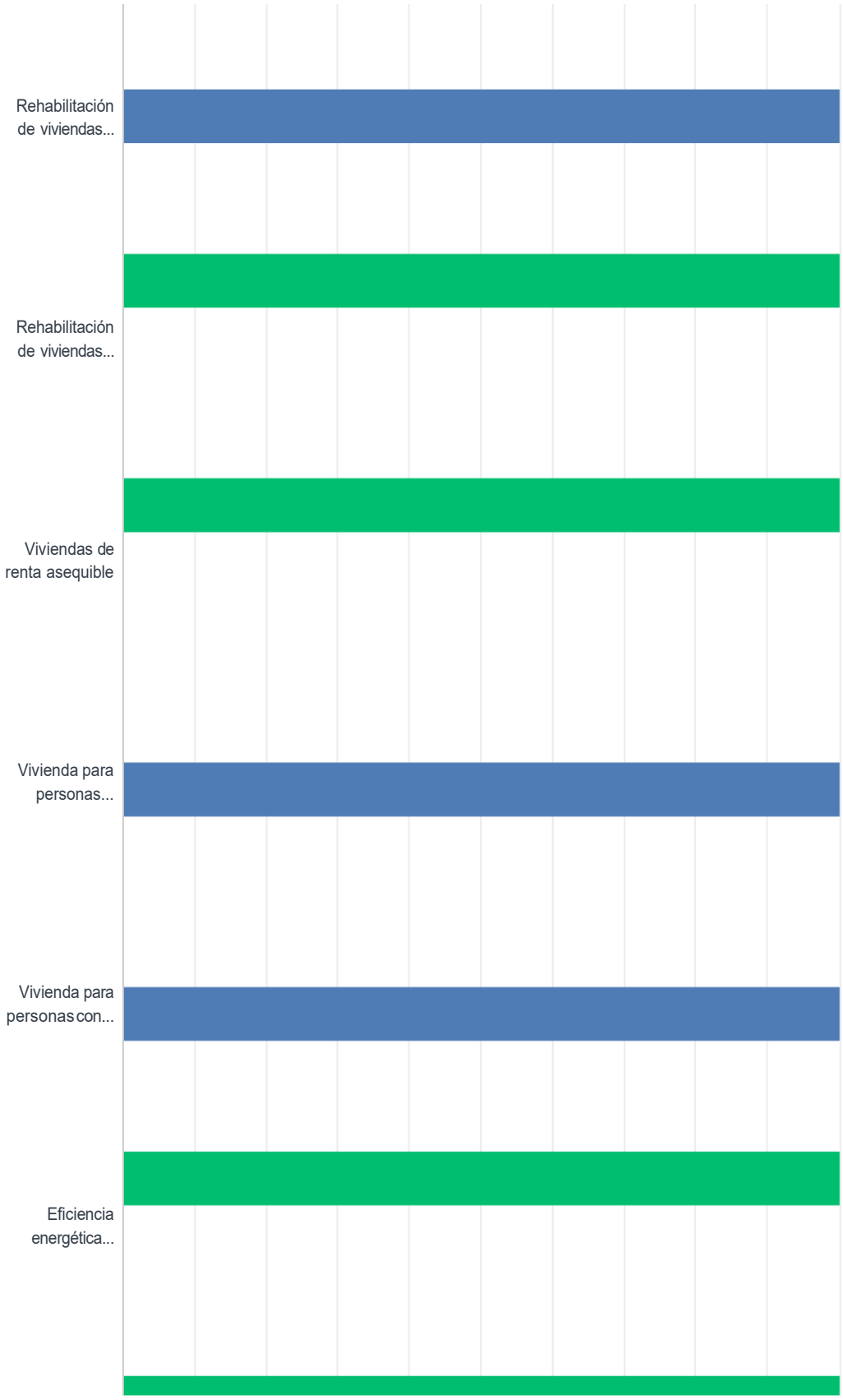
Answered: 1 Skipped: 33

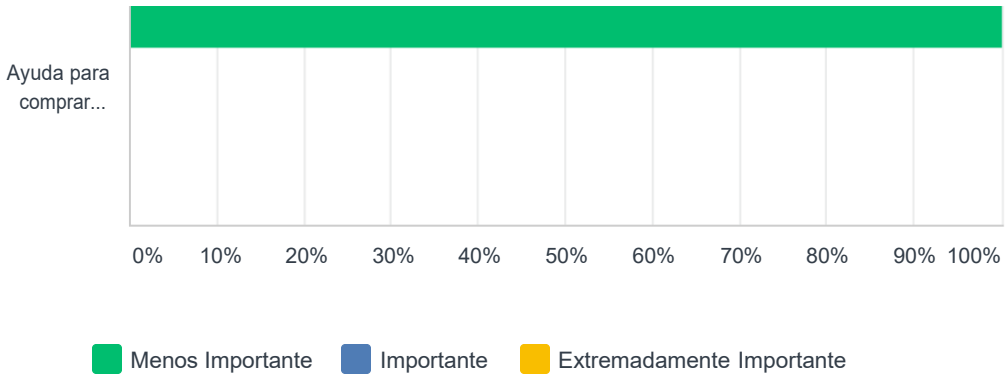


ANSWER CHOICES	RESPONSES	
Menos de un año	0.00%	0
1-4 años	100.00%	1
5-10 años	0.00%	0
Más de 10 años	0.00%	0
No vivo en Montebello	0.00%	0
TOTAL		1

Q30 5. Vivienda

Answered: 1 Skipped: 33

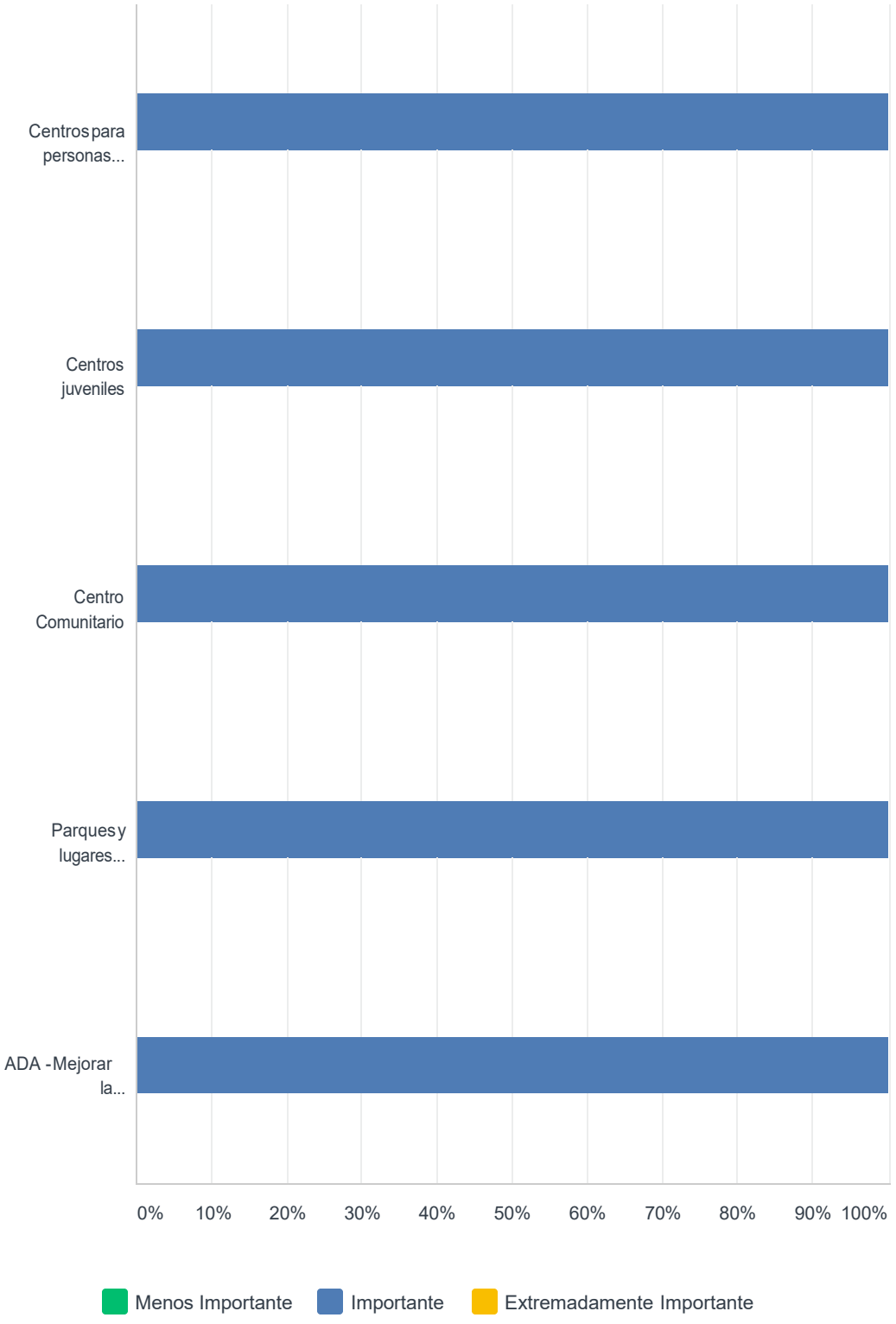




	MENOS IMPORTANTE	IMPORTANTE	EXTREMADAMENTE IMPORTANTE	TOTAL	WEIGHTED AVERAGE
Rehabilitación de viviendas ocupadas por los dueños	0.00% 0	100.00% 1	0.00% 0	1	3.00
Rehabilitación de viviendas ocupadas por inquilinos	100.00% 1	0.00% 0	0.00% 0	1	1.00
Viviendas de renta asequible	100.00% 1	0.00% 0	0.00% 0	1	1.00
Vivienda para personas mayores	0.00% 0	100.00% 1	0.00% 0	1	3.00
Vivienda para personas con discapacidad	0.00% 0	100.00% 1	0.00% 0	1	3.00
Eficiencia energética dentro del hogar	100.00% 1	0.00% 0	0.00% 0	1	1.00
Ayuda para comprar vivienda	100.00% 1	0.00% 0	0.00% 0	1	1.00

Q31 6. Lugares Comunitarios

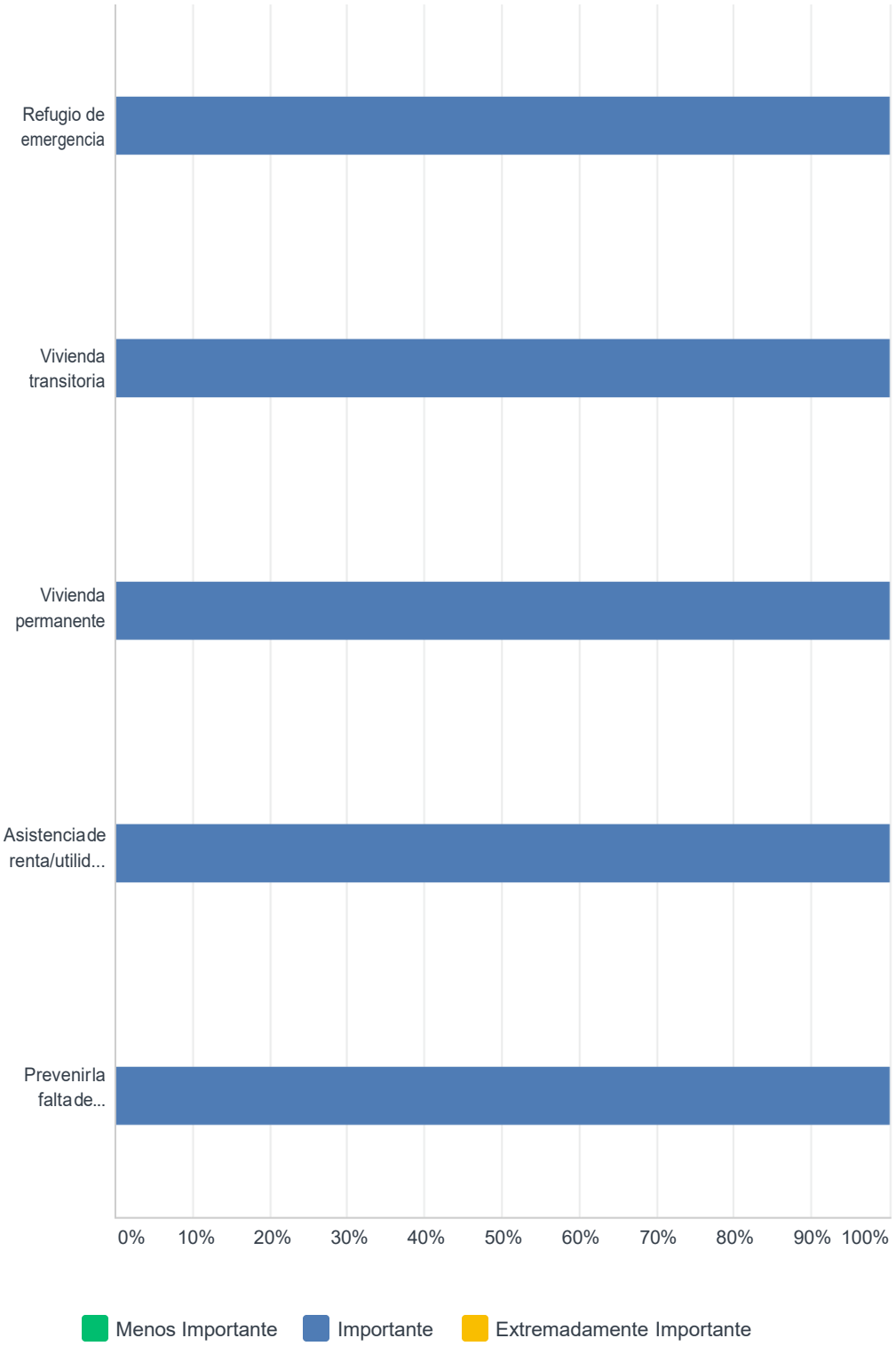
Answered: 1 Skipped: 33



	MENOS IMPORTANTE	IMPORTANTE	EXTREMADAMENTE IMPORTANTE	TOTAL	WEIGHTED AVERAGE
Centros para personas mayores	0.00% 0	100.00% 1	0.00% 0	1	3.00
Centros juveniles	0.00% 0	100.00% 1	0.00% 0	1	3.00
Centro Comunitario	0.00% 0	100.00% 1	0.00% 0	1	3.00
Parques y lugares recreativos	0.00% 0	100.00% 1	0.00% 0	1	3.00
ADA - Mejorar la accesibilidad de infraestructura y edificios públicos	0.00% 0	100.00% 1	0.00% 0	1	3.00

Q32 7. Vivienda para Personas Sin Hogar

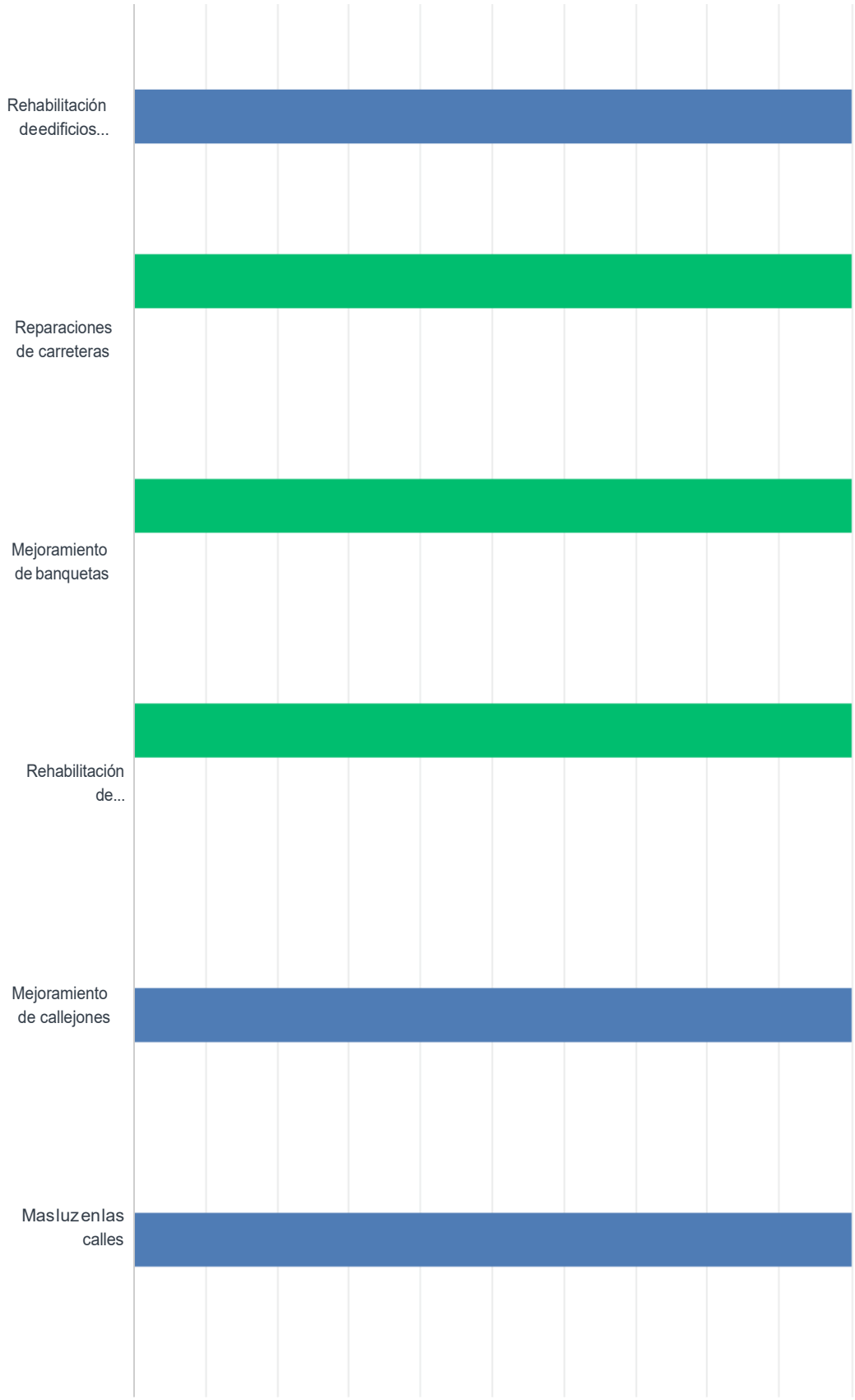
Answered: 1 Skipped: 33

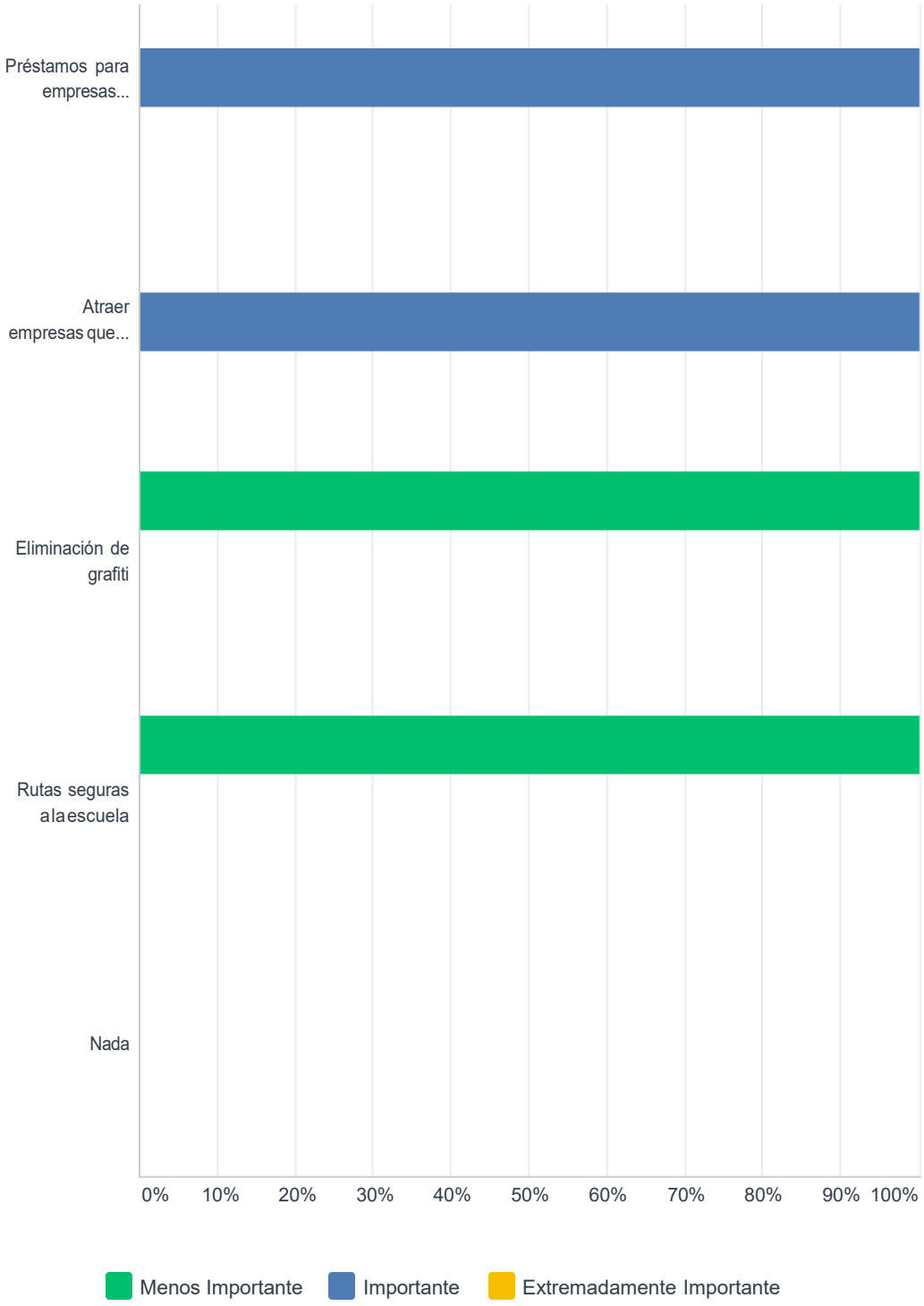


	MENOS IMPORTANTE	IMPORTANTE	EXTREMADAMENTE IMPORTANTE	TOTAL	WEIGHTED AVERAGE
Refugio de emergencia	0.00% 0	100.00% 1	0.00% 0	1	3.00
Vivienda transitoria	0.00% 0	100.00% 1	0.00% 0	1	3.00
Vivienda permanente	0.00% 0	100.00% 1	0.00% 0	1	3.00
Asistencia de renta/utilidades publicas	0.00% 0	100.00% 1	0.00% 0	1	3.00
Prevenir la falta de vivienda	0.00% 0	100.00% 1	0.00% 0	1	3.00

Q33 8. Mejoramiento del Vecindario

Answered: 1 Skipped: 33

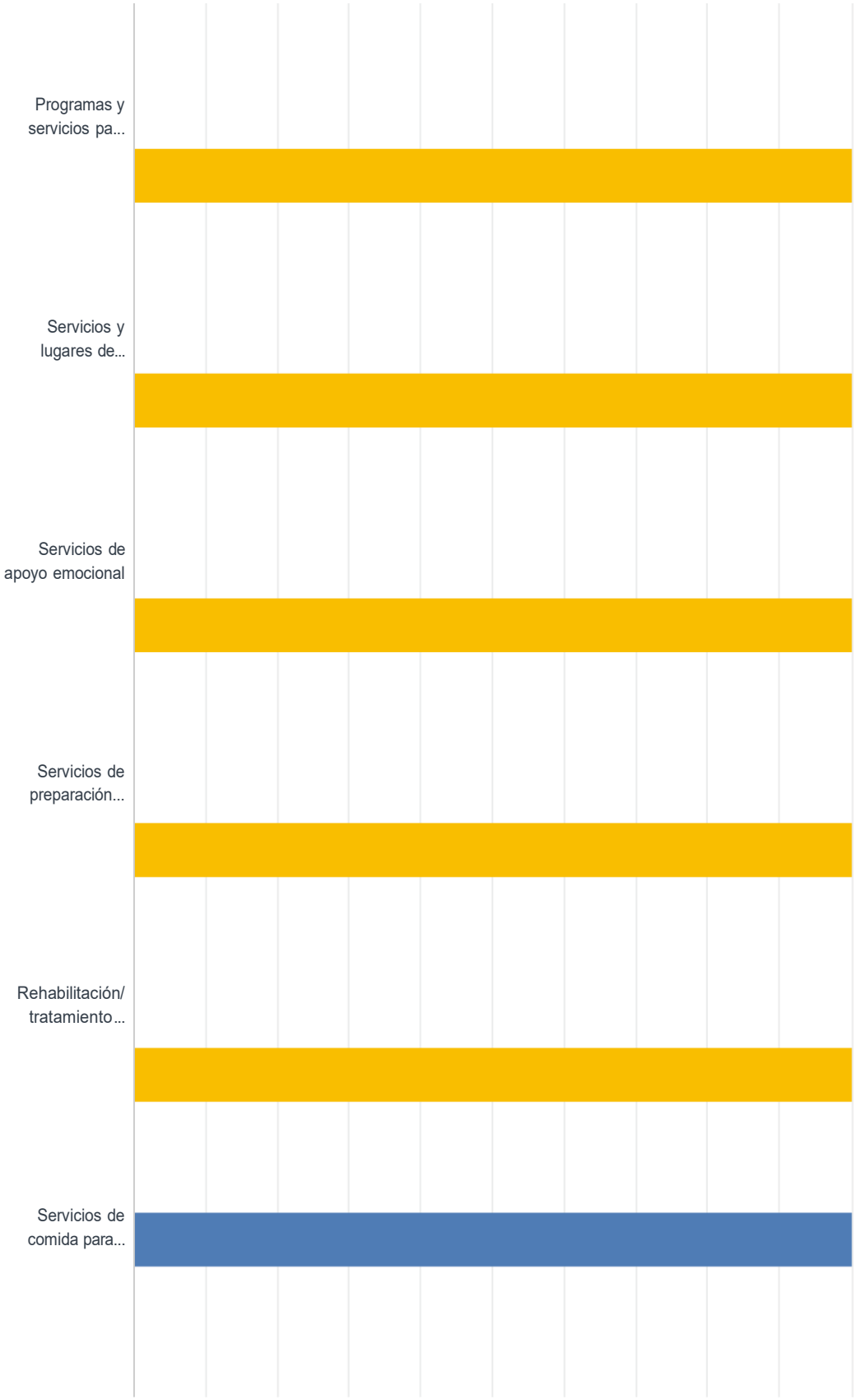


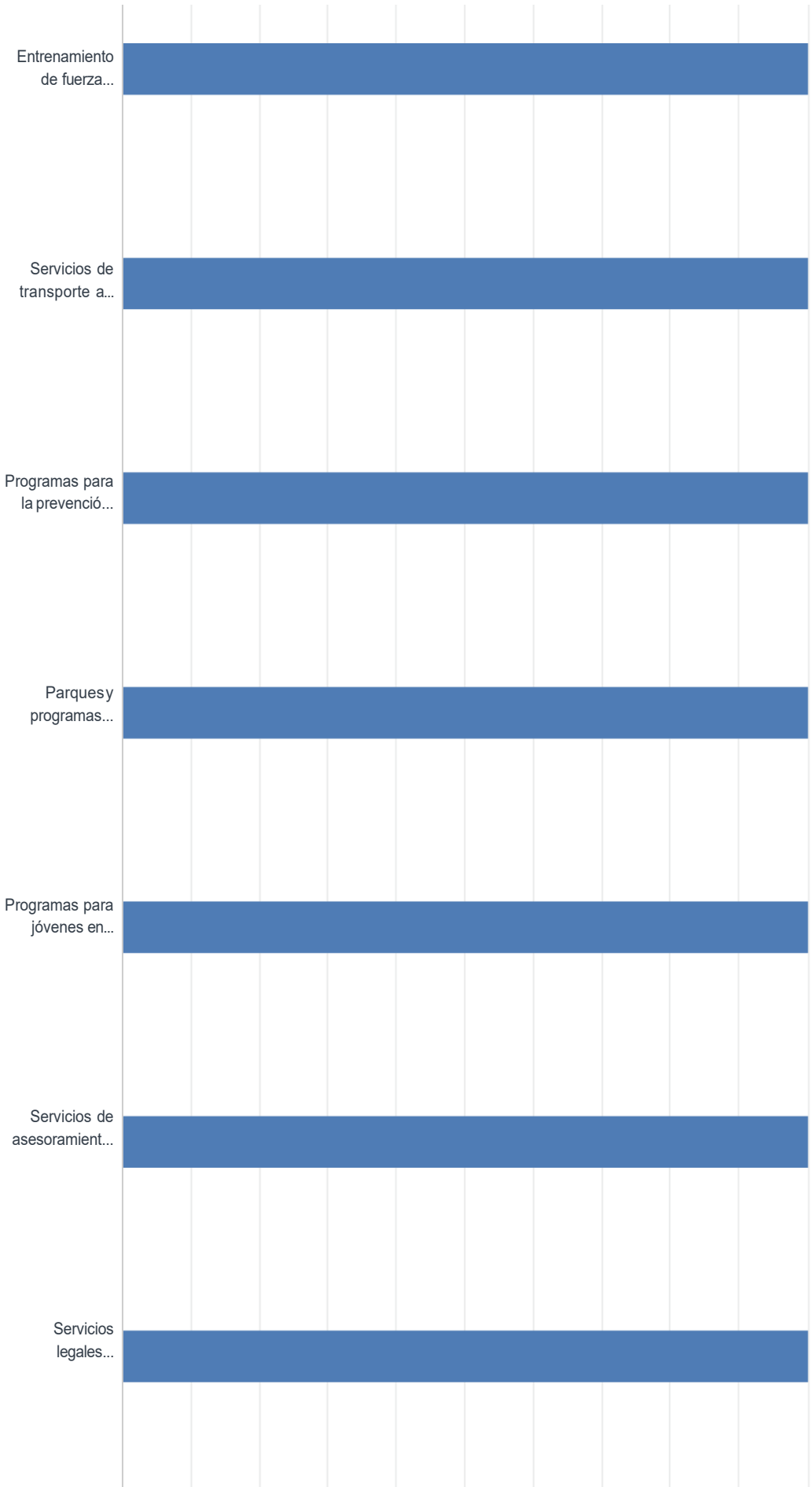

Préstamos para empresas...
Atraer empresas que...
Eliminación de grafiti
Rutas seguras a la escuela
Nada
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Menos Importante
Importante
Extremadamente Importante

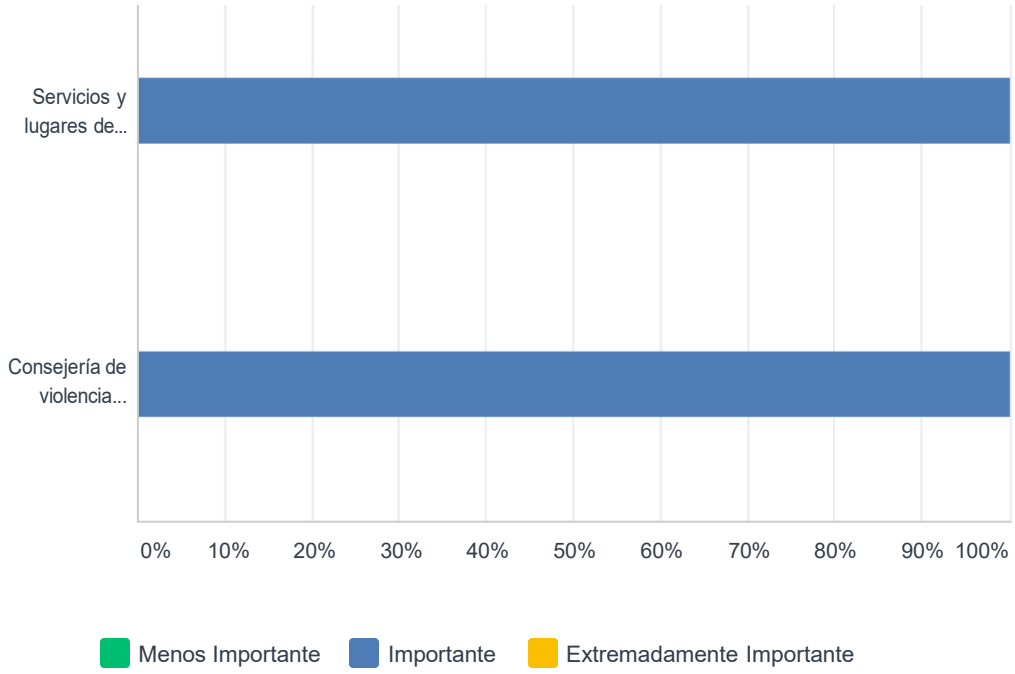
	MENOS IMPORTANTE	IMPORTANTE	EXTREMADAMENTE IMPORTANTE	TOTAL	WEIGHTED AVERAGE
Rehabilitación de edificios comerciales	0.00% 0	100.00% 1	0.00% 0	1	3.00
Reparaciones de carreteras	100.00% 1	0.00% 0	0.00% 0	1	1.00
Mejoramiento de banquetas	100.00% 1	0.00% 0	0.00% 0	1	1.00
Rehabilitación de alcantarillado/drenaje	100.00% 1	0.00% 0	0.00% 0	1	1.00
Mejoramiento de callejones	0.00% 0	100.00% 1	0.00% 0	1	3.00
Mas luz en las calles	0.00% 0	100.00% 1	0.00% 0	1	3.00
Préstamos para empresas pequeñas	0.00% 0	100.00% 1	0.00% 0	1	3.00
Atraer empresas que generen empleo	0.00% 0	100.00% 1	0.00% 0	1	3.00
Eliminación de grafiti	100.00% 1	0.00% 0	0.00% 0	1	1.00
Rutas seguras a la escuela	100.00% 1	0.00% 0	0.00% 0	1	1.00
Nada	0.00% 0	0.00% 0	0.00% 0	0	0.00

Q34 9. Programas Comunitarios y Servicios

Answered: 1 Skipped: 33



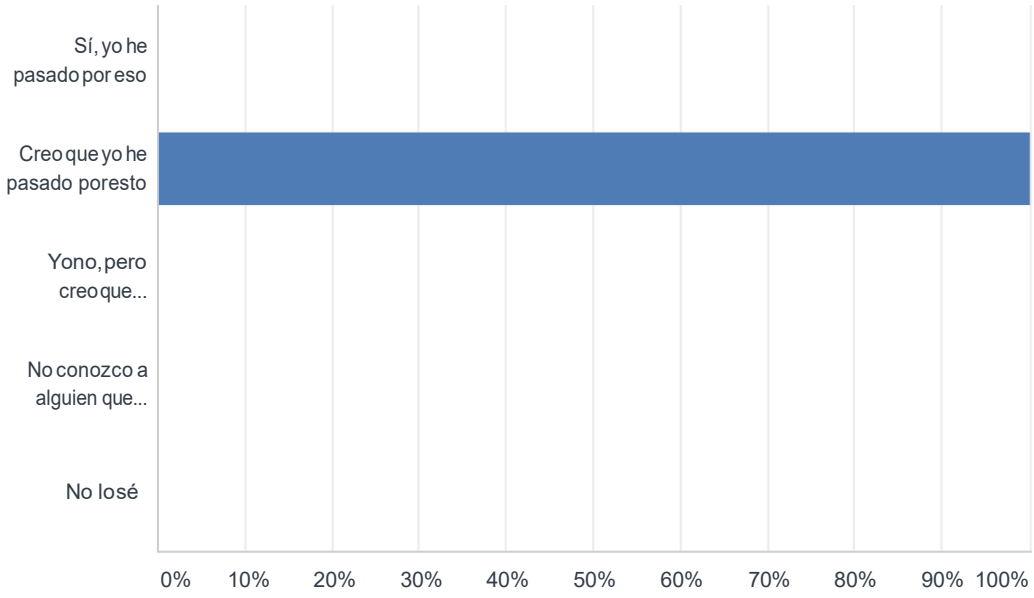

Entrenamiento de fuerza...
Servicios de transporte a...
Programas para la prevenció...
Parques y programas...
Programas para jóvenes en...
Servicios de asesoramient...
Servicios legales...


Servicios y lugares de...
Consejería de violencia...
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Menos Importante
Importante
Extremadamente Importante

	MENOS IMPORTANTE	IMPORTANTE	EXTREMADAMENTE IMPORTANTE	TOTAL	WEIGHTED AVERAGE
Programas y servicios para niños después de la escuela y durante el verano	0.00% 0	0.00% 0	100.00% 1	1	3.00
Servicios y lugares de cuidado infantil	0.00% 0	0.00% 0	100.00% 1	1	3.00
Servicios de apoyo emocional	0.00% 0	0.00% 0	100.00% 1	1	3.00
Servicios de preparación para desastres y emergencias	0.00% 0	0.00% 0	100.00% 1	1	3.00
Rehabilitación/tratamiento de abuso de drogas/alcohol	0.00% 0	0.00% 0	100.00% 1	1	3.00
Servicios de comida para residentes con necesidades especiales	0.00% 0	100.00% 1	0.00% 0	1	2.00
Entrenamiento de fuerza laboral y/o colocación laboral	0.00% 0	100.00% 1	0.00% 0	1	2.00
Servicios de transporte a bajo costo (cupones para taxi y Dial-A-Ride)	0.00% 0	100.00% 1	0.00% 0	1	2.00
Programas para la prevención de delitos en el vecindario	0.00% 0	100.00% 1	0.00% 0	1	2.00
Parques y programas recreativos	0.00% 0	100.00% 1	0.00% 0	1	2.00
Programas para jóvenes en riesgo	0.00% 0	100.00% 1	0.00% 0	1	2.00
Servicios de asesoramiento para personas sin hogar	0.00% 0	100.00% 1	0.00% 0	1	2.00
Servicios legales asequibles	0.00% 0	100.00% 1	0.00% 0	1	2.00
Servicios y lugares de salud	0.00% 0	100.00% 1	0.00% 0	1	2.00
Consejería de violencia domestica	0.00% 0	100.00% 1	0.00% 0	1	2.00

Q35 10. ¿Usted (o alguien que conoce) ha pasado por alguna forma de discriminación de vivienda?

Answered: 1 Skipped: 33



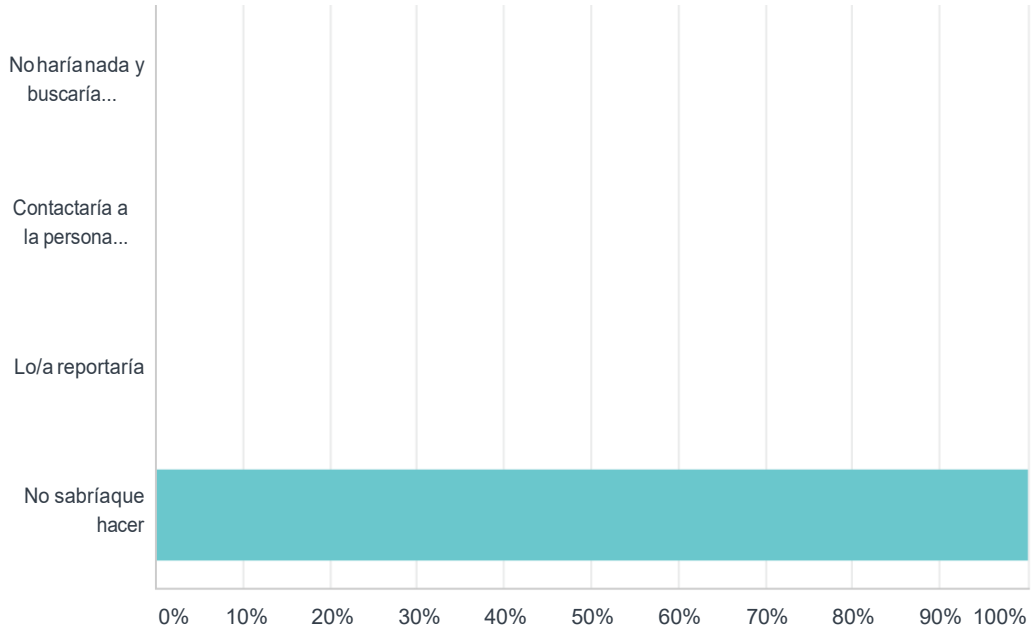
ANSWER CHOICES	RESPONSES	
Sí, yo he pasado por eso	0.00%	0
Creo que yo he pasado por esto	100.00%	1
Yo no, pero creo que conozco a alguien que ha pasado por eso	0.00%	0
No conozco a alguien que haya pasado por eso	0.00%	0
No lo sé	0.00%	0
TOTAL		1

Q36 11. Si cree que usted o alguien que conoce ha pasado por discriminación de vivienda, describa la ocurrencia

Answered: 0 Skipped: 34

Q37 12. ¿Qué haría usted si se encontrara con discriminación de vivienda?

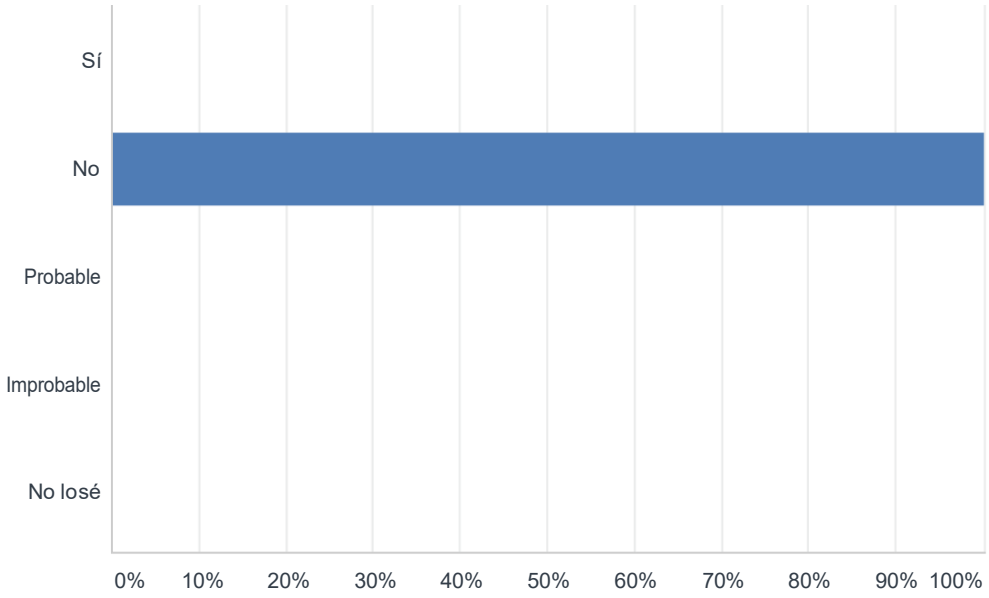
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
No haría nada y buscaría otras opciones de vivienda	0.00%	0
Contactaría a la persona responsable y le diría que me está discriminando	0.00%	0
Lo/a reportaría	0.00%	0
No sabría que hacer	100.00%	1
TOTAL		1

Q38 13. ¿Usted cree que la discriminación de vivienda ocurre en Montebello?

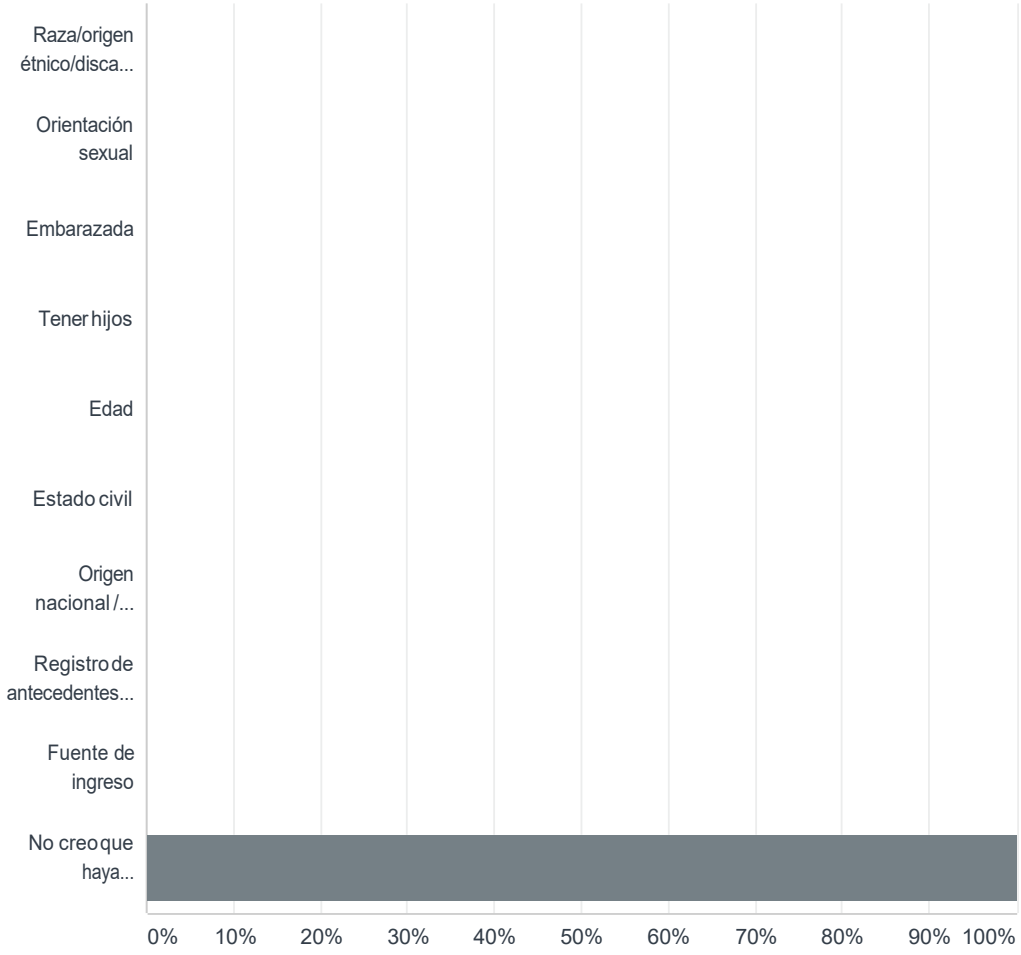
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Sí	0.00%	0
No	100.00%	1
Probable	0.00%	0
Improbable	0.00%	0
No lo sé	0.00%	0
TOTAL		1

Q39 14. Si cree que está ocurriendo discriminación de vivienda, ¿qué tipos de discriminación cree que son más frecuentes? (Por favor seleccione todas las respuestas válidas)

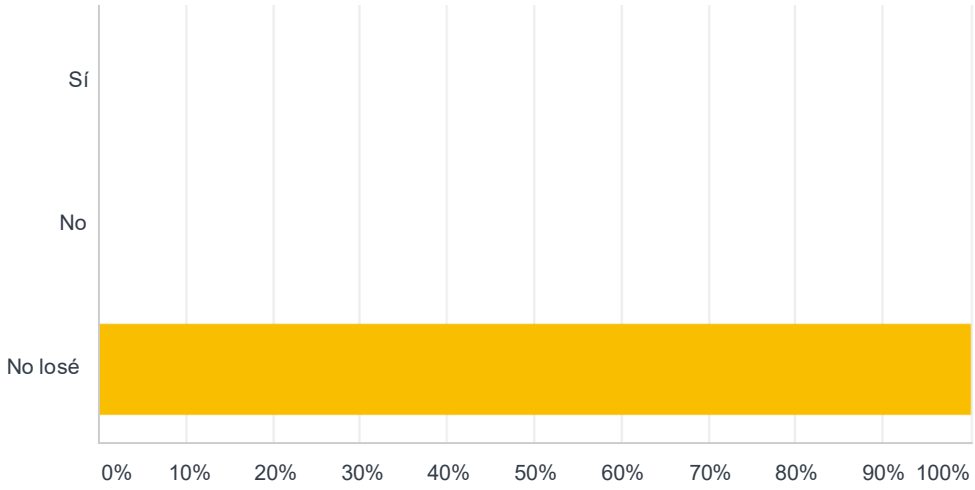
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Raza/origen étnico/discapacidad	0.00%	0
Orientación sexual	0.00%	0
Embarazada	0.00%	0
Tener hijos	0.00%	0
Edad	0.00%	0
Estado civil	0.00%	0
Origen nacional / ascendencia	0.00%	0
Registro de antecedentes penales	0.00%	0
Fuente de ingreso	0.00%	0
No creo que haya discriminación de vivienda	100.00%	1
TOTAL		1

Q40 15. ¿Conoce el derecho de un inquilino a solicitar, al dueño, un cambio físico para hacer que una vivienda sea más accesible, si fuera necesario debido a una discapacidad (llamada "adaptación razonable")?

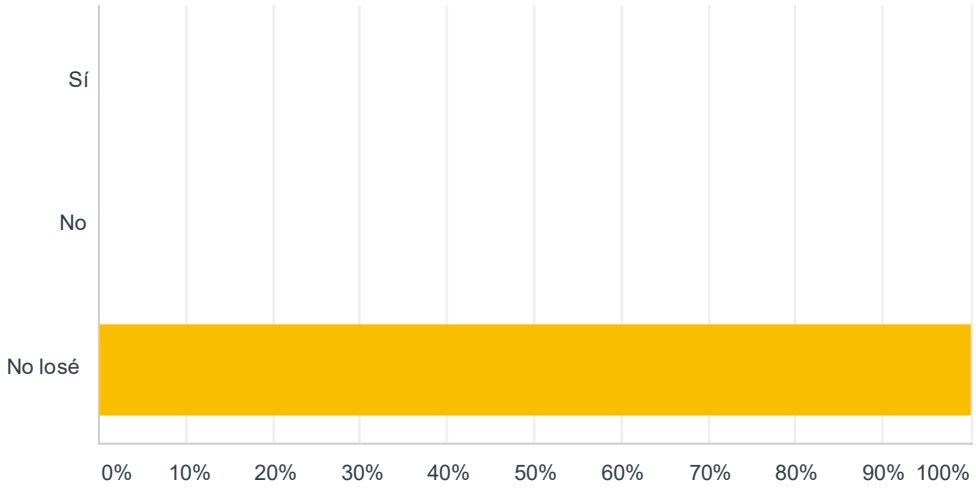
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Sí	0.00%	0
No	0.00%	0
No lo sé	100.00%	1
TOTAL		1

Q41 16. ¿Alguna vez usted, o alguien que conoce, ha solicitado una adaptación razonable?

Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Sí	0.00%	0
No	0.00%	0
No lo sé	100.00%	1
TOTAL		1

Q42 17. Si contesto que sí, ¿qué tipo de adaptación y/o modificación solicitó usted o la persona que conoce?

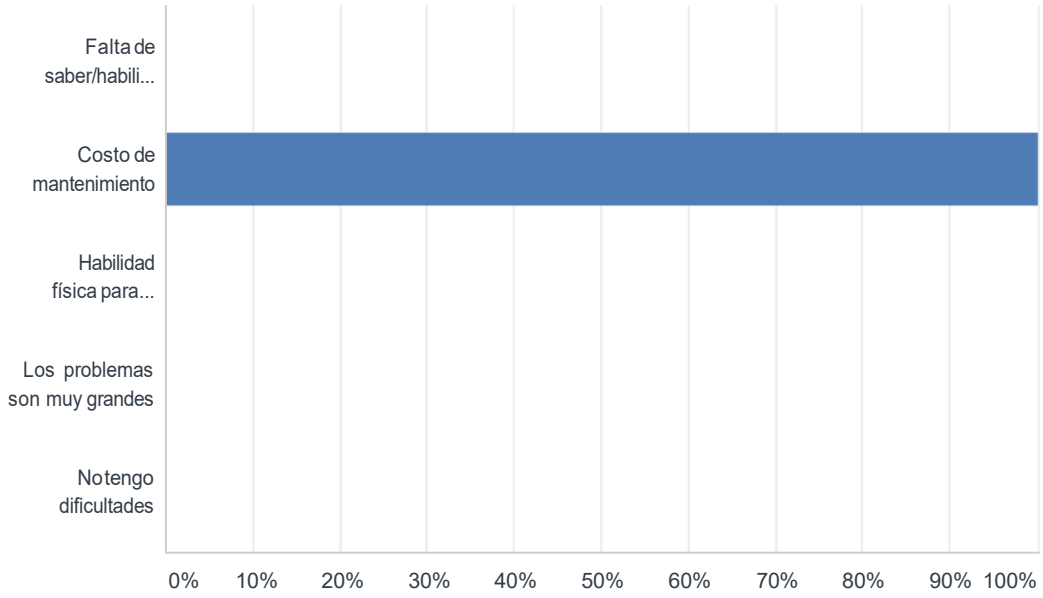
Answered: 0 Skipped: 34

No matching responses.

ANSWER CHOICES	RESPONSES	
Animal de asistencia	0.00%	0
Asistente en casa	0.00%	0
Modificación de una unidad	0.00%	0
Tamaño de una unidad	0.00%	0
Accesibilidad de una unidad	0.00%	0
Cambio de fecha de cuando se cobra la renta	0.00%	0
Cambiarse a otra unidad	0.00%	0
Estacionamiento/relacionado a un espacio de estacionamiento	0.00%	0
No aplica, no he pedido adaptación y/o modificación	0.00%	0
TOTAL		0

Q43 18. ¿Cuál es la dificultad más urgente que tiene para mantener su hogar?

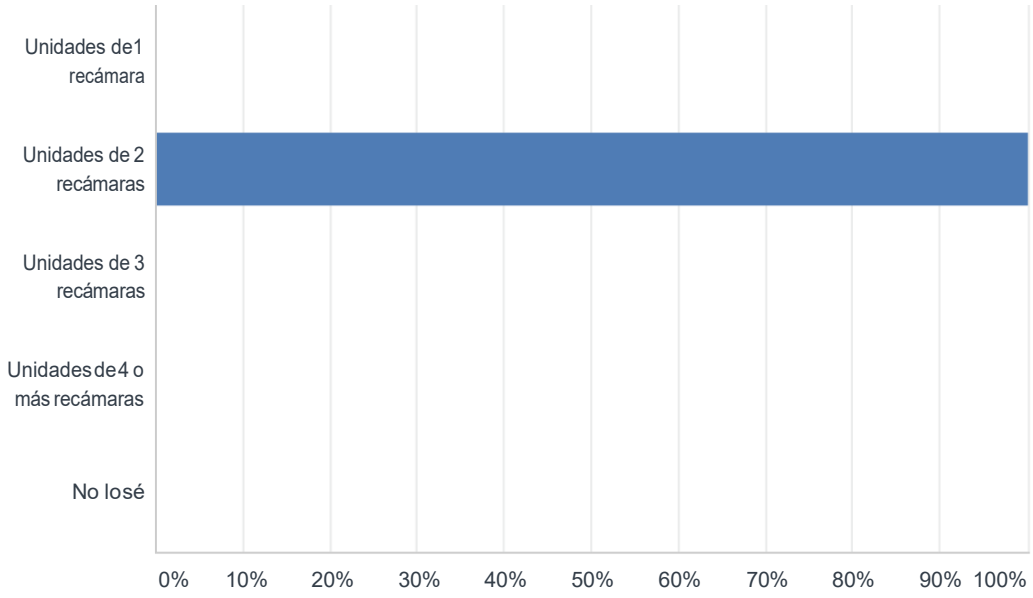
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Falta de saber/habilidad para mantener	0.00%	0
Costo de mantenimiento	100.00%	1
Habilidad física para mantener	0.00%	0
Los problemas son muy grandes	0.00%	0
No tengo dificultades	0.00%	0
TOTAL		1

Q44 19. ¿Qué tamaño de unidad es más necesaria en la ciudad de Montebello?

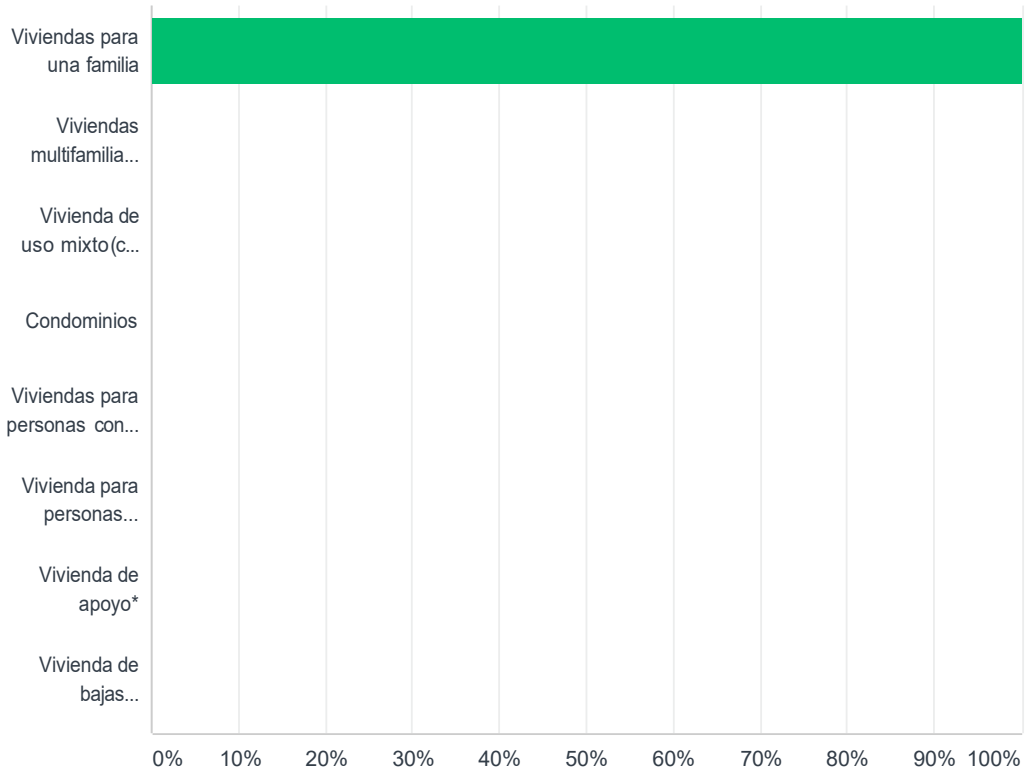
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Unidades de 1 recámara	0.00%	0
Unidades de 2 recámaras	100.00%	1
Unidades de 3 recámaras	0.00%	0
Unidades de 4 o más recámaras	0.00%	0
No lo sé	0.00%	0
TOTAL		1

Q45 20. ¿Qué tipos de vivienda son más necesarias en la ciudad de Montebello? (Por favor seleccione todas las que apliquen)

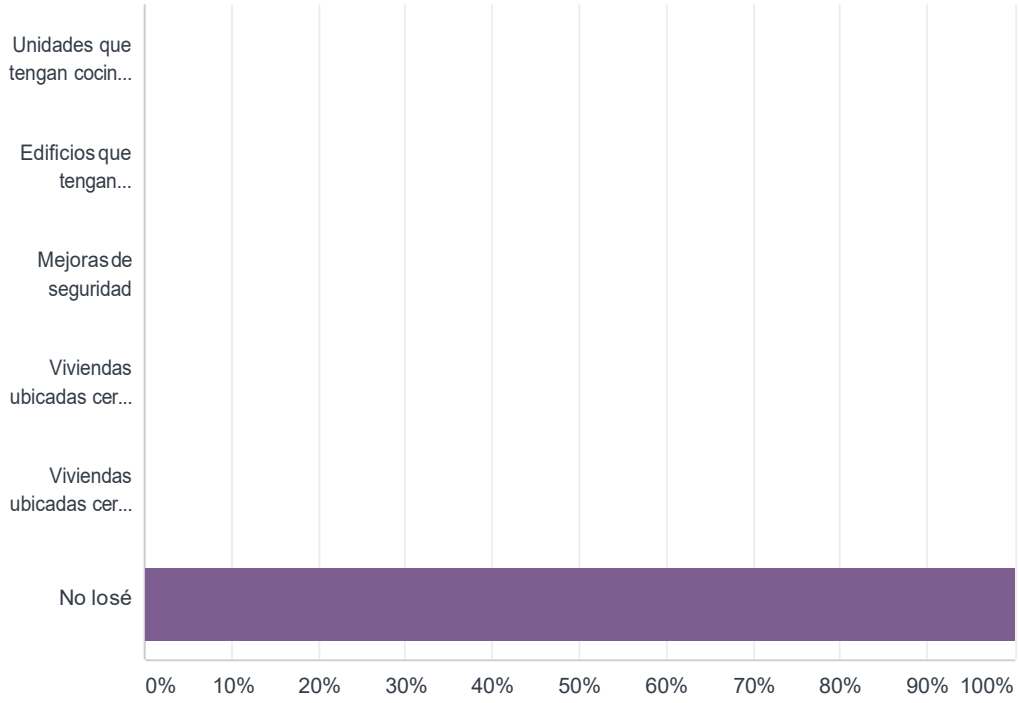
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Viviendas para una familia	100.00%	1
Viviendas multifamiliares/apartamentos	0.00%	0
Vivienda de uso mixto (con comercial)	0.00%	0
Condominios	0.00%	0
Viviendas para personas con discapacidades físicas y mentales	0.00%	0
Vivienda para personas mayores	0.00%	0
Vivienda de apoyo*	0.00%	0
Vivienda de bajas barreras**	0.00%	0
Total Respondents: 1		

Q46 21. ¿Cuáles servicios de vivienda cree que son necesarios en la ciudad Montebello?

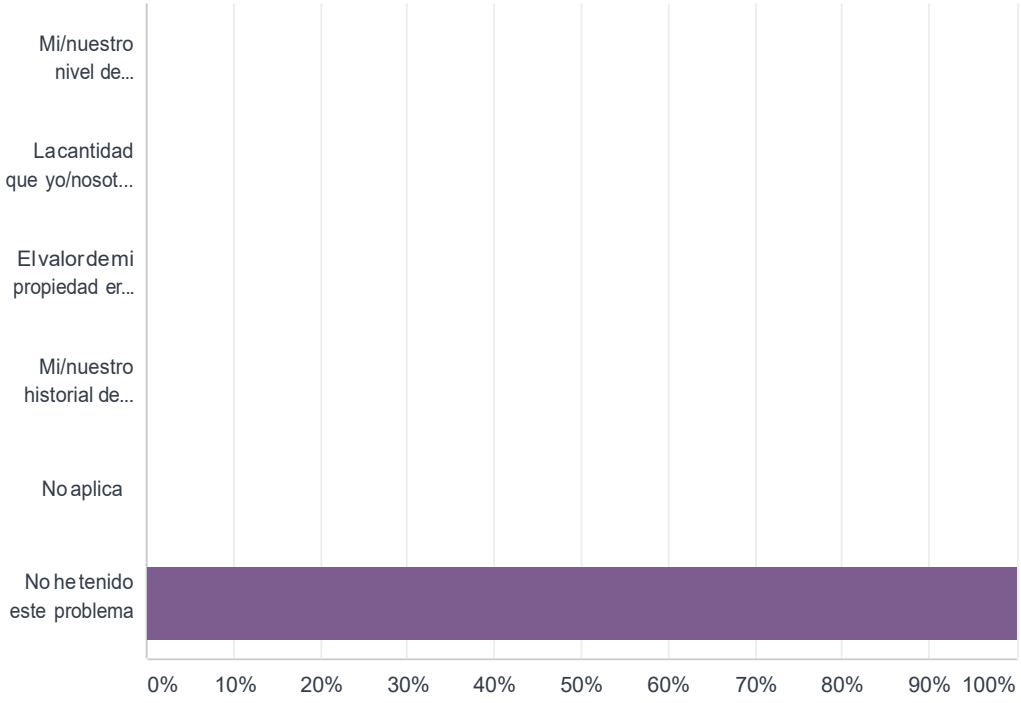
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Unidades que tengan cocinas y baños accesibles	0.00%	0
Edificios que tengan elevadores	0.00%	0
Mejoras de seguridad	0.00%	0
Viviendas ubicadas cerca de tránsito	0.00%	0
Viviendas ubicadas cerca de escuelas y parques	0.00%	0
No lo sé	100.00%	1
Total Respondents: 1		

Q47 22. Si alguna vez ha solicitado un préstamo hipotecario y su solicitud NO fue aprobada, ¿cuál de las siguientes razones le dieron? Por favor seleccione todo lo que pueda aplicar.

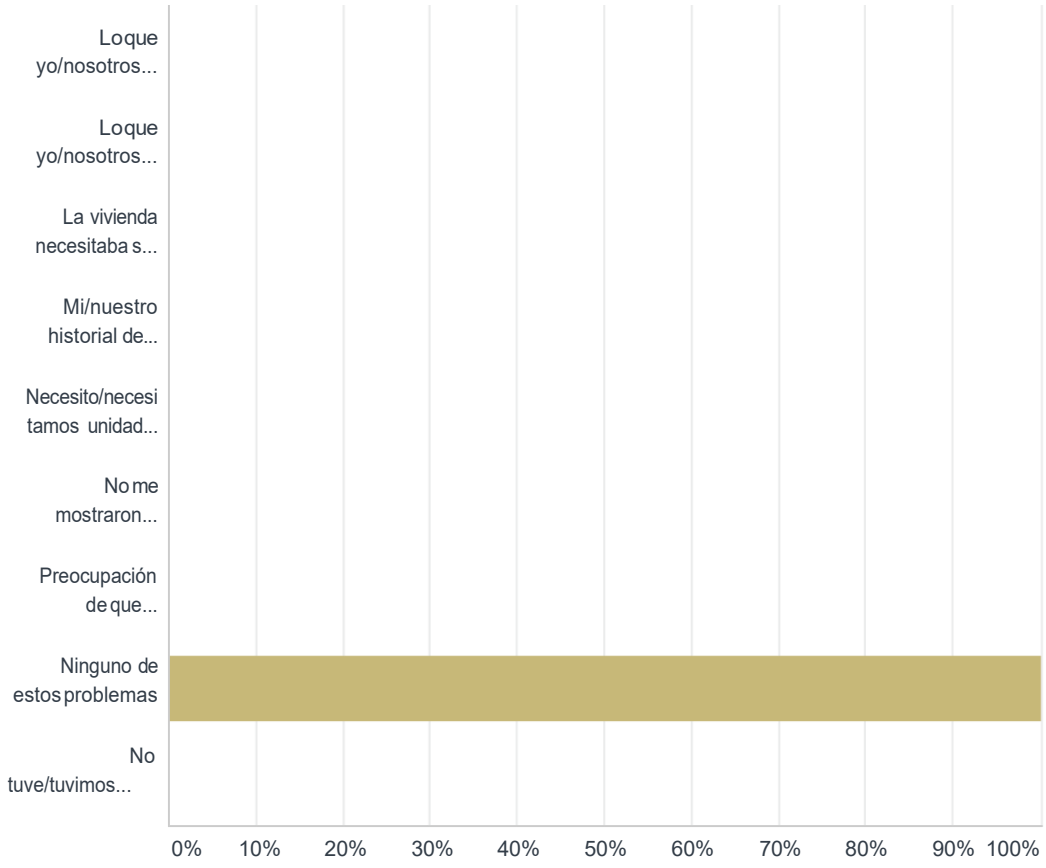
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Mi/nuestro nivel de ingresos es muy bajo	0.00%	0
La cantidad que yo/nosotros teníamos para el pago inicial era muy pequeña	0.00%	0
El valor de mi propiedad era muy bajo	0.00%	0
Mi/nuestro historial de crédito o puntaje(s) de crédito fue demasiado bajo	0.00%	0
No aplica	0.00%	0
No he tenido este problema	100.00%	1
Total Respondents: 1		

Q48 23. ¿Cuál de los siguientes problemas ha limitado las opciones de vivienda que pudo considerar en la Ciudad de Norwalk? Por favor no seleccione más de tres de las siguientes opciones

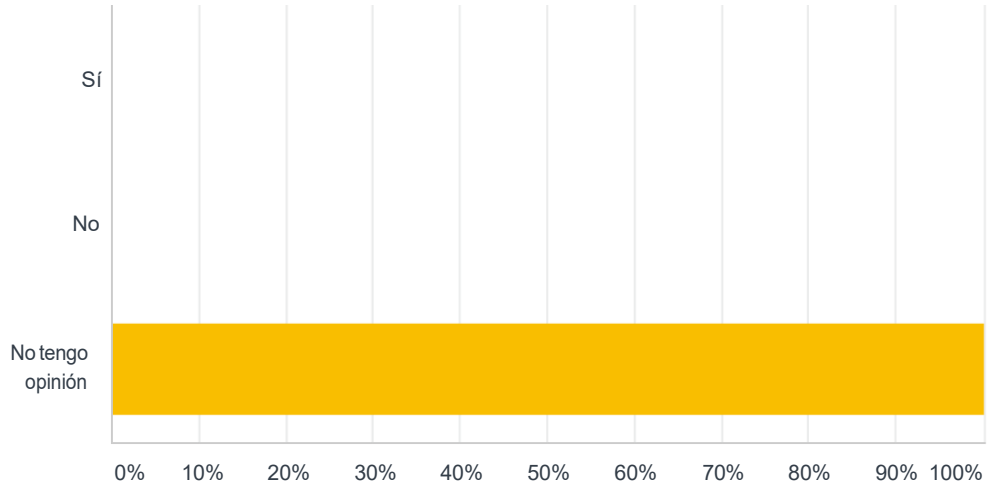
Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Lo que yo/nosotros podríamos pagar de renta o de la hipoteca	0.00%	0
Lo que yo/nosotros teníamos para el depósito era demasiado bajo	0.00%	0
La vivienda necesitaba ser lo suficientemente grande para mi/nuestro hogar	0.00%	0
Mi/nuestro historial de crédito o puntaje de crédito fue demasiado bajo	0.00%	0
Necesito/necesitamos unidades que se adapten a una discapacidad (por ejemplo, accesibles para sillas de ruedas)	0.00%	0
No me mostraron viviendas en el/los vecindario(s) que queríamos	0.00%	0
Preocupación de que yo/nosotros no seríamos bienvenidos en el vecindario	0.00%	0
Ninguno de estos problemas	100.00%	1
No tuve/tuvimos problemas	0.00%	0
Total Respondents: 1		

Q49 24. ¿Cree que las regulaciones locales sobre el uso del terreno apoyan el desarrollo de viviendas asequibles?

Answered: 1 Skipped: 33



ANSWER CHOICES	RESPONSES	
Sí	0.00%	0
No	0.00%	0
No tengo opinión	100.00%	
TOTAL		1

CITY OF MONTEBELLO

Citizen Participation Plan

AUGUST 1, 2020
City of Montebello
Planning and Community Development Division

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Introduction

The Citizen Participation Plan is designed to facilitate communication between the City and its residents on matters pertaining to the use of all Federal Grant funding from the U.S. Department of Housing and Urban Development (HUD). The Citizen Participation Plan provides for greater visibility of Montebello's Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs, enlists citizen participation in the development of the Consolidated Plan, Annual Action Plan, substantial amendments, Analysis of Impediments to Fair Housing Choice (AI) and the Consolidated Annual Performance Evaluation Report (CAPER). It encourages active citizen involvement in neighborhood improvement activities and ensures equitable representation of all segments of the population.

Citizen involvement will be encouraged for application development, program implementation, assessment of performance, submissions of views and proposals, consideration of objections to applications, complaints, technical assistance, adequate information, public hearings, bilingual dissemination (when appropriate), and program amendments.

The City encourages the involvement of all groups including low and moderate income persons particularly those living in slum and blighted areas, members of minority groups and non-English speaking persons, as well as persons with mobility, visual or hearing impairments, residents of areas where a significant amount of activity is occurring or proposed, the elderly, the business community and civic groups who are concerned about the community

While the City desires and recognizes the need for the citizen involvement, it is the City Council of Montebello which has final determination and responsibility for all aspects of the City's Community Development programs.

Public Hearings

The City will conduct public hearings at locations and at times that are convenient to the public, especially those persons affected by program resources, and the locations will be ADA accessible. As such, all public hearings and meetings will be conducted at City Hall, in the Council Chambers located at 1600 W. Beverly Blvd., Montebello, CA 90640 unless another location and/or time is publicized in advance. Request for translation services will be available at all public hearings if requested of the City Clerk's office 24 hours before the start of the meeting. Other request for reasonable accommodations must be made forty-eight (48) hours prior to the hearing date; the City will provide appropriate assistance to the extent feasible. Contact the Building Official at (323) 887-1497 for special assistance. Public Hearing Notices for City Council meetings are posted at the following locations at least 72 hours before any hearing:

- **Montebello City Hall**
  1600 W Beverly Blvd
  Montebello, CA 90640

- **Montebello City Website**
  www.cityofmontebello.com

- **Montebello Public Library**
  1550 W Beverly Blvd
  Montebello, CA 90640

- **Chet Holifield Library**
  1060 S Greenwood Ave
  Montebello, CA 90640

- **Montebello Senior Center**
  115 S Taylor Ave
  Montebello, CA 90640

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Comments & Complaints

Comments can be made by citizens, local governments, as well as agencies providing services to the community. They are encouraged to state or submit their comments in the development of the Consolidated Plan and any amendments to these documents. Written and verbal comments received at public hearings or during comment periods, will be considered, summarized, and included as an attachment to the final Plans. Written comments should be addressed to:

City of Montebello
Economic Development Division
1600 W Beverly Blvd.
Montebello, CA 90640

A written response will be made to all written comments within fourteen (14) days, acknowledging the letter and identifying a plan of action, if necessary.

The City will accept written complaints provided they specify the following:

- The description of the objection and supporting facts and data.
- Name, address, telephone number, and date.

A record will be maintained of all complaints received that will include the nature of the complaint, research by staff of facts and evidence, referrals made, and the final outcome.

Citizens may contact HUD directly if they wish to object to any part of the Consolidated Plan, Annual Action Plan, CAPER, and/or any other federally funded programs.

Citizen Participation Plan

The Citizen Participation Plan (CPP) seeks to involve the participation of citizens of Montebello and social services agencies in the development and adoption of the Consolidated Plan, Annual Action Plan, substantial amendments, Analysis of Impediments to Fair Housing Choice (AI) and the Consolidated Annual Performance Evaluation Report (CAPER). All aspects of the City's citizen participation efforts shall be conducted in an open manner with freedom of access to all interested persons. The Citizen Participation Plan consists of a few elements designed to assist community involvement as specified in each section of the plan.

The City will amend its current Citizen Participation Plan whenever a change in the public participation process as outlined in this plan is proposed. Prior to the adoption of the Citizen Participation Plan, implementation of the following public comment, review, and adoption procedures will ensure that all citizens have a chance to participate in the development and/or amendment of the plan.

- The City will provide a notice of the 30-day public review period and public hearing on the CPP. The notice will be appropriately advertised to coincide with the 30-day public comment period. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such

scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

- The proposed CPP will be available for public review at the locations:

  - **Montebello City Hall**
    1600 W Beverly Blvd
    Montebello, CA 90640

  - **Montebello City Website**
    ww.cityofmontebello.com

  - **Montebello Public Library**
    1550 W Beverly Blvd
    Montebello, CA 90640

  - **Chet Holifield Library**
    1060 S Greenwood Ave
    Montebello, CA 90640

  - **Montebello Senior Center**
    115 S Taylor Ave
    Montebello, CA 90640

Upon written request, the Plan will be made available in an alternative format for persons needing reasonable accommodations.

The draft plan will be adopted by the City Council at a designated and publicly noticed meeting. After the adoption, the CPP will include a summary of public comments and a summary of any comments not accepted and the reasons therefore, all of which will be attached to the final CPP.

Consolidated Plan

The consolidated plan is a program and funding implementation plan combined in one document that states the City of Montebello's goals and objectives for housing and community planning and development.

The consolidated plan is typically a five-year strategic plan to address unmet public service and housing needs of low-income persons and families within the City. For each of the five years, an annual action plan is developed in preparation for the subsequent grant year which identifies specific activities, goals, and funding allocations.

The groups involved in the process of the Consolidated Plan include City Staff and the City Council.

City Staff

City Staff will act in an advisory capacity to the City Council regarding the planning, implementing, and assessing of the CDBG programs and when needed, other federally funded activities through the following:

- Collecting input and/or needs requested by residents of Montebello.
- Preparing a prioritized list of neighborhood/community needs for review by City Council.
- Preparing project and activity recommendations for review by City Council for funding approval.
- Reviewing project and activity progress.

City Council

City staff will make recommendations and provide information to the City Council regarding the allocation of CDBG activities, expenditures of HUD funds, and the administration of the CDBG programs based on the needs of the community. City Council meetings are open to the public. The public and residents of Montebello are invited to attend and participate in the discussion of the policy. All public hearings shall be appropriately advertised as noted in this plan.

City Council will fulfill its role by carrying out the procedures established in the Citizen Participation Plan. The City Council makes the final determination regarding funding allocations.

Public Engagement

The following procedures will ensure that all citizens will have a chance to make recommendations to the final draft of the 5-Year Consolidated Plan. Specifically, staff will:

- Publish a notice announcing the 30-day public review period and public hearings of the draft 5-Year Consolidated Plan. The notice will be appropriately advertised in a newspaper of general circulation and will include a summary of the draft that describes the contents, purpose, and a list of the locations where copies of the draft may be reviewed. The notice will be appropriately advertised to correlate with the 30-day. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

- The proposed Consolidated Plan will be available for public review at the locations:

  - **Montebello City Hall**
    1600 W Beverly Blvd
    Montebello, CA 90640

  - **Montebello City Website**
    www.cityofmontebello.com

  - **Montebello Public Library**
    1550 W Beverly Blvd
    Montebello, CA 90640

  - **Chet Holifield Library**
    1060 S Greenwood Ave
    Montebello, CA 90640

  - **Montebello Senior Center**
    115 S Taylor Ave
    Montebello, CA 90640

Upon written request, the Plan will be made available in an alternative format for persons needing reasonable accommodations.

Pursuant to HUD regulations, at least two public meetings/hearings during the development of the Consolidated Plan development. City Staff will conduct the first public hearing/meeting to accept public input on community needs during the development stage of the Draft Consolidated Plan. The City Council will then conduct a second public hearing/meeting to accept comments on the Draft Consolidated Plan which will be provided for public review for a 30-day period. At times, due to

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extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

After the adoption of the Plan, the final 5-Year Consolidated Plan will be submitted to HUD. The final Plan will include a summary of public comments all which will be attached to the final Plan.

Amendment(s) to the Consolidated Plan

HUD regulations state that a grantee shall amend its 5-Year Consolidated Plan submission whenever it decides:

- Not to carry out an activity described in the 5-Year Consolidated Plan
- To carry out an activity not previously described in the Plan, or
- To substantially change the purpose, scope, location, or beneficiaries of an activity

The City will amend its approved 5-Year Consolidated Plan whenever a decision is made to propose a substantial change in the allocation priorities. The substantial change criteria utilized by the City of Montebello is determine by a change in an activity which had been initiated through the CDBG Program and in which the change would exceed:

- 50% of the original allocation; and/or
- The description of the activity is modified to the extent whereby the public would consider it to be a new activity for that particular program year.

Changes in funding priority not amounting to more than 50% of a program year will not be considered a substantial change to the Consolidated Plan; no formal amendment to the plan requiring public review and comment will be warranted. City Council approval of the priority changes will still be required.

The City shall provide for citizen participation in any required substantial amendment to the approved Consolidated Plan. The notice will be appropriately advertised to coincide with the 30-day comment/review period. The proposed amendment will be available for public review for 30 days. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

- The proposed substantial amendment to the Consolidated Plan will be available for public review at the following locations:

  - **Montebello City Hall**
    1600 W Beverly Blvd
    Montebello, CA 90640

  - **Montebello City Website**
    www.cityofmontebello.com

  - **Montebello Public Library**
    1550 W Beverly Blvd
    Montebello, CA 90640

  - **Chet Holifield Library**
    1060 S Greenwood Ave
    Montebello, CA 90640

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- **Montebello Senior Center**
  115 S Taylor Ave
  Montebello, CA 90640

Upon written request, the Plan will be made available in an alternative format for persons needing reasonable accommodations.

At the end of the review period, the City Council will consider adoption of the amendment. The City will consider any written or oral comments received. A summary of these comments and a summary of any comments not accepted and the reasons, therefore, shall be attached to the substantial amendment of the Consolidated Plan.

Annual Action Plan

The City will invite residents, City staff, and public and private agencies that provide services related to health, economic development, public housing, and social services for children, elderly, disabled, homeless, persons with AIDS, to provide input in the development of the Annual Action Plan (AAP).

Each year the City will send out a Notice of Funding Availability (NOFA) to cooperating departments and non-profit agencies advising them that the planning cycle has begun for CDBG funds and that the City is accepting project proposals, provided funds are available. The City will conduct an eligibility analysis on all project proposals submitted and review the eligible proposals for service provider grants for funding consideration.

The Draft Action Plan incorporating the City's proposed uses of CDBG funds will be made available for public review for a 30-day period. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

- The proposed Annual Action Plan will be available for public review at the following locations:

  - **Montebello City Hall**
    1600 W Beverly Blvd
    Montebello, CA 90640

  - **Montebello City Website**
    Cityofmontebello.com

  - **Montebello Public Library**
    1550 W Beverly Blvd
    Montebello, CA 90640

  - **Chet Holifield Library**
    1060 S Greenwood Ave
    Montebello, CA 90640

  - **Montebello Senior Center**
    115 S Taylor Ave
    Montebello, CA 90640

Upon written request, the Plan will be made available in an alternative format for persons needing reasonable accommodations.

The City will properly notice a 30-day comment for the draft Annual Action Plan. At the end of the review period the City Council will hold a public hearing to accept comments and community input on the draft Annual Action Plan and consider the adoption of the plan.

A summary of comments received, and a summary of any comments not accepted and the reasons, therefore, shall be attached to the Annual Action Plan.

Amendment(s) to the Annual Action Plan

The City will formally amend its approved Action Plan whenever a decision is made to propose a substantial change to the Plan, either by:

- Carrying out an activity not previously described in the Action Plan;
- Canceling an activity previously described in the Action Plan;
- Increasing or decreasing the amount to be expended on an activity from the amount stated in the Action Plan by more than 50 percent of the City's annual allocation; or
- Substantially changing the purpose, scope, location, or beneficiaries of an activity.

Changes in funding priority not amounting to more than 50% of a program year will not be considered a substantial change to the Annual Action Plan; no formal amendment to the Action Plan requiring public review and comment will be required. However, City Council approval of the activity funding changes will still be required.

The City shall provide for citizen participation in any required substantial amendment to the approved Consolidated Plan. The proposed amendment will be available for public review for 30 days. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

- The proposed substantial amendment to the Action Plan will be available for public review at the following locations:

  - **Montebello City Hall**
    1600 W Beverly Blvd
    Montebello, CA 90640

  - **Montebello City Website**
    www.cityofmontebello.com

  - **Montebello Public Library**
  - **Montebello Senior Center**
    115 S Taylor Ave
    Montebello, CA 90640
    1550 W Beverly Blvd
    Montebello, CA 90640

  - **Chet Holifield Library**
    1060 S Greenwood Ave
    Montebello, CA 90640

Upon written request, the Plan will be made available in an alternative format for persons needing reasonable accommodations.

At the end of the review period, the City Council will consider adoption of the amendment. The City will consider any written or oral comments received. A summary of these comments and a summary of any comments not accepted and the reasons, therefore, shall be attached to the substantial amendment of the Consolidated Plan.

Analysis of Impediments to Fair Housing Choice

During the development of the Consolidated Plan the City will also develop the Analysis of Impediments to Fair Housing Choice (AI). The City will consult the following services/agencies including fair housing organizations, other local governments, advocacy groups for special needs households, affordable housing providers, banks and other financial institutions, and other educational institutions to solicit their input on fair housing issues in the City. The City will solicit feedback in different ways including in person, telephone, and virtual interviews, community meetings, or surveys.

The City will include actions it plans to use to address the impediments to fair housing choice as part of its Consolidated Plan. The AI will be incorporated into the Consolidated Plan (see section: Consolidated Plan), which will be made available for public review for a 30-day period. Written comments will be accepted during the 30-day public review. A summary of the comments and views, and City responses must be made attached to the AI. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

The City will conduct public hearings as part of the Consolidated Plan to accept public input on fair housing issues during the development stage of the Draft AI and Consolidated Plan.

Consolidated Annual Performance and Evaluation Report (CAPER)

A reasonable notice and opportunity to comment on the Consolidated Annual Performance and Evaluation Report (CAPER) shall be given to citizens. A notice will be appropriately advertised for a minimum of ten (10) days prior to the start of the comment period. The CAPER will be available for public review for 15 days. At times, due to extenuating circumstances (i.e. natural disasters, emergencies, pandemic), HUD allows for flexibilities for public review periods, comment periods, and noticing. In such scenarios the City may opt to follow HUD's guidance and limit the noticing and public comment periods.

- Copies of the CAPER will be available for public review at the following locations:
    - **Montebello City Hall**
      1600 W Beverly Blvd
      Montebello, CA 90640
    - **Montebello City Website**
      www.cityofmontebello.com
    - **Montebello Public Library**
      1550 W Beverly Blvd
      Montebello, CA 90640
    - **Chet Holifield Library**
      1060 S Greenwood Ave
      Montebello, CA 90640

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Montebello, CA 90640

- **Montebello Senior Center**
  115 S Taylor Ave

Upon written request, the Plan will be made available in an alternative format for persons needing reasonable accommodations.

A public review and comment period of no less than fifteen (15) days shall be provided to receive comments on the Performance Report prior to its submission to HUD. A summary of the comments shall be attached to the CAPER.

A public hearing will be conducted to receive public input on annual accomplishments contained in the CAPER.

Anti-Displacement

The Citizen Participation Plan must, as required by 24 CFR Part 91, Section 91.105, "set forth the jurisdiction's plans to minimize displacement of persons and to assist any persons displaced...."

In the event that any residential displacement and relocation must take place in order to carry out a program activity, the City of Montebello ensures that it will develop an Anti-displacement and Relocation Plan in connection with that project as applicable per Federal regulations.

In the event that any acquisition and relocation must take place in order to carry out a program activity, the City of Montebello will also comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1 070, as amended, and implementing regulations of 49 CFP part 24.

Technical Assistance

Upon request, staff will provide technical assistance to groups representing extremely low-, low-and moderate- income persons to develop funding requests for CDBG eligible activities. Technical assistance will be provided as follows:

- Answer, in writing or verbally, all inquiries received from citizens or representative groups relating to funding requests.

- Meet with groups or individuals as appropriate, to assist in identifying specific needs and to assist in preparing requests/applications for assistance.

- Provide bilingual translation on an as-needed basis.

Bilingual Opportunities

Translation services will be provided upon advance request, to the extent feasible. Translation services at public hearings and meetings will be provided in Spanish or other languages if translation services are requested at least three (3) days prior to the meeting date. All advertisements for public hearings will

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note that arrangements for an interpreter can be made by contacting the City of Montebello's Housing Division.

Contingency Plan in the Event of an Emergency/Disaster

In the event of an emergency or disaster that presents a serious and immediate threat to the health and welfare of the citizens of the City, the noticing requirements for public hearings shall be reduced to five (5) calendar days.

Reprogramming of funds in the event of such an emergency will require approval by the City Council when they are in session or ratification of the reallocation when the City Council is in recess.

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ATTACHMENT 5

City of Montebello

HOME Investment Partnerships Program
POLICIES AND PROCEDURES MANUAL

City of Montebello
Planning and Community Development Department
1600 W. Beverly Boulevard
Montebello, CA 90640

September 2020 Edition

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CHAPTER 1: OVERVIEW OF THE HOME PROGRAM

Introduction

The HOME Program is a federal block grant program directed by the U.S. Department of Housing and Urban Development (HUD) and is designed to create affordable housing for low-income households. The City of Montebello is responsible for the administration of its HOME Program.

The purposes of the HOME Program include expanding the supply of affordable housing for low- and very low-income persons; improving the means of state and local governments to implement strategies to achieve adequate supplies of decent, affordable housing; and providing both financial and technical assistance to participants to develop model programs for affordable, low-income housing.

HOME grants are awarded each year through a competitive application process to construct, acquire and/or rehabilitate housing, or develop new housing for homeownership. Successful grant applicants have included Community Housing Development Organizations (CHDOs).

Purposes and Goals

The HOME Program purposes and goals are:

1. Expanding the supply of decent, safe, sanitary, and affordable housing for very low-income and low-income families in Montebello (those at or below 80 percent of area median income).

2. Mobilizing and strengthening the abilities of units of local governments, public housing authorities, and community housing development organizations to implement strategies for achieving an adequate supply of decent, safe, sanitary, and affordable housing.

3. Providing participating entities, on a coordinated basis, with various forms of federal housing assistance.

The City of Montebello will focus on the following purposes and goals:

1. Assisting in preserving existing or constructing decent, safe, sanitary, and affordable housing in areas of greatest demonstrated need in the community in the City of Montebello, ensuring geographic distribution, where and when possible, taking into consideration the historical information of the property and area, the current housing market, and the prospects for future demand.

2. In areas where the greatest need is identified, giving preference to those projects which provide the greatest number of qualified, affordable units relative to the

HOME funds allocated, while giving consideration to serving lower-income families in Montebello.

3. Making sure units are affordable to households for the applicable period of affordability.

4. Allocating only the minimum amount of HOME funds that the City of Montebello determines to be necessary for the financial feasibility of the project and its viability as a qualified, affordable housing project throughout the period of affordability.

5. Assisting in providing housing to meet the needs and priorities outlined in the City's Consolidated Plan and its corresponding Annual Action Plan.

6. Providing opportunities for CHDOs to access the HOME Program on behalf of low- and very low-income residents.

7. Encouraging innovative approaches in planning, designing, constructing, enhancing energy efficiency, and financing that are cost-effective in providing affordable housing.

8. Giving preference to those applications that show a greater degree of readiness to proceed with the development.

9. Allowing applicants the ability to self-monitor their capabilities based on geographic area, population, need and capacity.

10. Maximizing the investment of private capital to leverage HOME funds and use existing agencies and private sector mortgage financial institution resources, while retaining the affordability of housing with local and private investment.

In accordance with these stated purposes and goals, the City of Montebello **will not process** any application that is not consistent with the purposes and goals of the City's Consolidated Plan. The City of Montebello will consider the capacity of its management team, and the availability of contractors and subcontractors in assessing the viability of each proposed project.

DISCLAIMER

This manual is a tool created for City of Montebello Planning & Community Development Department staff, participants and/or any related parties as a support and practical guidance related to the HOME Program.

This manual is not intended to change, enlarge, or restrict any requirement found in the contracts, HUD Final Rule, City of Montebello rules and policies, and/or any related federal or state rule governing this program.

This manual is not meant to be a substitute for HOME Program regulations, but as a supplement to them. It is not exhaustive regarding all considerations affecting the use of HOME Program funds. While careful consideration and due care has been used in developing the manual, HOME Program participants are encouraged to consult with the City of Montebello HOME Program staff to ensure correct interpretation of policies, regulations, and procedures. The City of Montebello reserves the right to implement additional policies as needed.

Allocation of Funds (92.50 and 92.102)

HOME funds are allocated annually by formula to State and local governments by HUD. The City of Montebello receives funds through this formula and the Economic Development Department is the lead agency that administers those funds. Under the HOME Program, the City of Montebello is designated as a “Participating Jurisdiction” (PJ).

The City of Montebello is subject to several HOME Program requirements when allocating funds to other entities. These requirements affect the way the City of Montebello and its recipient's run its HOME Program.

Timeframes

The City of Montebello has 24 months to enter into written agreements with developers, owners, contractors, Subrecipients, and CHDOs to commit HOME funds and 5 years to expend HOME funds. If the City does not meet these timeframes, it risks losing the allocated HOME funds.

Use of Funds

The HOME Program places the following limits on the "use" of funds:

1. **Planning and Administration (92.207**): The City of Montebello may use up to 10 percent of their HOME Program allocation and program income received for eligible and reasonable planning and administration costs.

2. **CHDOS**: The City of Montebello must reserve a minimum of 15 percent of its annual allocation for activities undertaken by qualified Community Housing Development Organizations (CHDOs).

HOME-Funded Activities

The City's HOME funds may be used to support the following general affordable housing activities:

1. **Homeowner rehabilitation**: HOME funds may be used to assist existing owner-occupants with the repair, rehabilitation, or reconstruction of their homes.

2. **Homebuyer activities**: HOME funds can be used to finance the acquisition and/or rehabilitation or new construction of homes for homebuyers.

3. **Rental housing**: Affordable rental housing may be acquired, rehabilitated, and/or constructed. The City's HOME funds do not currently support rental housing.

HOME Program Roles and Relationships

The City of Montebello may rely on numerous partners to create affordable housing under its HOME program. Partners play different roles at different times, depending upon the project or activity being undertaken. Defined below are some of the types of partners:

1. **CHDOs:** A CHDO is a private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations. The City of Montebello must use a minimum of 15 percent of its annual allocation for housing owned, developed, or sponsored by CHDOs. The City will evaluate the organizations' qualifications and designate them as CHDOs. CHDOs also may be involved in the program as Subrecipients, but the use of HOME funds in this capacity is not counted toward the 15 percent set-aside.

2. **Subrecipient:** A Subrecipient is a public agency or nonprofit organization that may be selected by the City to administer all or a portion of the City's HOME Program. It may or may not also qualify as a CHDO. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not considered a Subrecipient.

3. **Developers, Owners, and Sponsors**: Individuals, for-profit entities and nonprofits can participate in the HOME Program as owners, developers, or sponsors of housing. When CHDOs use HOME funds as owners, developers or sponsors, this use of HOME funds counts toward the 15 percent CHDO set-aside.

4. **Private Lenders**: One of the goals of the HOME Program is to establish strong public/private partnerships. The City is required to make all reasonable efforts to maximize participation by private lenders and other members of the private sector. The Community Reinvestment Act (CRA) requirements provide an incentive to private lending institutions to become involved in HOME Program activities.

5. **Faith-Based Organizations**: Faith-based or religious organizations are now able to compete on an equal footing with other organizations for HUD funding. Funding may be provided directly to any Recipient, as long as those funds are not used to support inherently religious activities. As of the September 30, 2003 Final Rule for 24 CFR Part 92, HUD identified regulations for eight programs, including the HOME

Program, to eliminate barriers and ensure that these programs are open to all qualified organizations regardless of their religious character.

6. **Third-Party Contractors**: The City may contract with a private for-profit contractor to administer all or part of its HOME Program. Unlike public agencies or nonprofits, contractors must be procured through a competitive process in accordance with applicable Office of Management and Budget (OMB) procurement requirements. These requirements are found in 24 CFR Part 85 (for PJs) and Part 84 (for nonprofits).

Obligations (24 CFR 92.218-92.222)

Generally, the City must make contributions to housing that qualifies as affordable housing under the HOME program throughout a fiscal year. The contributions must total not less than 25 percent of the funds drawn from the City's HOME Investment Trust Fund Treasury account in that fiscal year. However, as of 2019, the City of Montebello has a 50% match obligation.

Recordkeeping, Reporting, and Monitoring (992.508 and 92.509)

1. Program staff is to establish and maintain a permanent "master file" for each application. Master files are to be kept for five years for all programs and legal loan files an additional five years after a loan has been paid in full. Applications that were given a program number and were denied, withdrawn, or canceled will be kept for five years. Applications that were submitted, without all proper information and were canceled, information will be inputted into the database and kept for a one year. Master files are to be stored according to the type of program: grant, rebate, loan, legal file, or paid.

2. The City of Montebello is required to keep records that enable HUD to determine whether they have met program and project requirements. The City is also responsible for enforcing these requirements with all its HOME Program Recipients. Monitoring and record-keeping requirements are outlined in Chapter 6; Part II: Recordkeeping, Reporting, and Monitoring of this manual.

3. The City of Montebello must also submit an annual performance report to HUD known as the Consolidated Annual Performance and Evaluation Report (CAPER.) The City requires that all Recipients (including CHDOs) meet certain reporting obligations to assist with this annual responsibility. (See Chapter 6: Recordkeeping, Reporting, and Monitoring for further information on reporting requirements.)

Conflict Resolution

The City of Montebello meets all the requirements of 24.CFR, PART 570 (CDBG) and 24.CFR, PART 92.350 of HOME final rule, as amended 2013. Whenever a relationship is declared between applicants, contractor, and program staff, the Program Administrator must submit a memo to the

Director explaining the nature of the relationship and asking for directive in the assignment of the case to appropriate staff. Ordinarily the case is to be assigned to staff that do not have preexisting relationships with the applicant. A preexisting relationship will not disqualify an applicant from participating in the program, provided the applicant meets all eligibility criteria.

No member of the City government, other City officials, employees, or agent of the City who exercise policy, decision-making functions, or responsibilities in connection with the planning and implementation of the program shall directly or indirectly be eligible for this program unless the application for assistance has been reviewed and approved according to applicable HUD policies. This ineligibility remains for one year after an individual's relationship with the City ends.

CHAPTER 2: HOME PROGRAM RULES

PART 1: GENERAL PROGRAM RULES

The City of Montebello allocates funds to develop eligible HOME projects. The HOME program contains a number of basic rules that apply to all program activities. These rules involve:

1. The definition of a project;
2. The form and amount of subsidy;
3. Eligible costs;
4. The property;
5. The applicant or beneficiary;
6. The long-term affordability of the project; and
7. Applicability of other federal requirements.

The following two definitions are critical to understanding the requirements that are outlined in the following sections.

Definition of a Project

Project: A site or sites together with any building (including manufactured housing unit) or buildings located on the site(s) under common ownership, management, and financing, to be assisted with HOME funds as a single undertaking. The "project" includes all of the activities associated with the site and building.

HOME-Assisted Units: The HOME Program distinguishes between the units in a project that have been assisted with HOME funds and those that have not -- hence the term HOME-assisted unit. This distinction between HOME-assisted and unassisted units allows HOME funds to be spent on mixed-income projects while still targeting HOME dollars only to income-eligible households.

Subsidy

Eligible Forms of Subsidy

HOME allows virtually any form of financial assistance, or subsidy, to be provided for eligible projects and to eligible beneficiaries through the City.

The HOME regulation lists the following forms of subsidy as eligible:

1. **Interest-bearing loans or advances**: These loans are amortizing loans. Repayment is expected on a regular basis, usually monthly, so that over a fixed period of time, all of the principal and interest is repaid.

a. Such loans may have interest rates at or below the prevailing market rate. Often, very low-interest rates (i.e., one to three percent) can make monthly payments affordable to the borrower.
b. The property or some other assets are used as collateral.
c. The term of the loan may vary. For home purchase, a term of up to 30 years is common while rehabilitation and construction loans tend to have terms of 15 years.

2. **Non-interest-bearing loans or advances**: The principal amounts of such loans are paid back on a regular basis over time, but no interest is charged.

As with interest-bearing loans, these loans will use the property or other assets as collateral and the term of the loan will vary depending on the nature of the activity funded. Such loans are made when the borrower is able to make regular payments but even a small amount of interest is not affordable.

3. **Deferred loans (forgivable or repayable):** These loans are not fully amortized. Instead, some, or even all, principal and interest payments are deferred to some point in the future. Deferred loans can be structured in many different ways.

   a. Deferred payment loans can be forgivable or repayable.
   b. If forgivable, the forgiveness might be structured to occur at one point in time (such as at the end of the affordability period), or forgiven incrementally (such as forgiving one-fifth of the loan each year over five years).
   c. If repayable, repayment might be required at the sale or transfer of the property or at the end of a fixed period of time.
   d. Like the amortizing loans discussed above, these loans can accrue interest or be non-interest bearing.
   e. Deferred payment loans require the property or some other form of collateral to be used as security for repayments.
   f. Deferred payment loans are also referred to as “soft seconds.” They are increasingly being used to leverage private first mortgage financing in homeownership. They may also be used to help rental projects by allowing deferral of loan payments for the first few years until the project becomes stable.

4. **Grants: Grants are provided with no requirement or expectation of repayment.**
   a. Grants require no liens on the property or other assets.
   b. Grants are most commonly used for down payment and closing cost assistance in homebuyer programs or to provide assistance to very low-income owner-occupants for rehabilitation.

5. **Interest Subsidies:** This is usually an up-front discounted payment to a private lender in exchange for a lower interest rate on a loan. An interest subsidy may also be a deposit in an interest-bearing account from which monthly subsidies are drawn and paid to a lender along with the homeowner’s monthly payment.

6. **Equity Investments:** An equity investment is an investment made in return for a share of ownership. Under this form of subsidy, the City acquires a financial stake in the assisted property and is paid a monetary return on the investment if money is left after expenses and loans are paid.

7. **Loan Guarantees and Loan Guarantee Accounts:** HOME funds may be pledged to guarantee loans or to capitalize a loan guarantee account. A loan guarantee or a loan guarantee account ensures payment of a loan in case of default.

    a. A loan guarantee is a written promise to pay the lender some percentage of the outstanding principal balance of a loan in the event the borrower defaults. It may be held for a specified period of time or reduced by a specific amount over time as the loan principal is repaid.
    b. A loan guarantee account is a loan loss reserve held by the lender in an amount equal to some percentage of the outstanding principal.
    c. The lender holding the loan guarantee account may require a minimum balance, as well as a percentage of the principal amount of the loan. The percentage of the loan amount held as guarantee may vary from loan to loan, or from program to program.

HOME rules require that the amount of money in a loan guarantee account must be based on a reasonable estimate of the default rate on the guaranteed loans and may not exceed 20 percent of the total outstanding principal guaranteed, except that the account may include a reasonable minimum balance.

8. **Other forms approved by HUD:** Other forms of assistance require HUD approval. If the City intends to use a form of assistance not listed above, the City's Consolidated Plan or Action Plan should describe the proposed form of assistance. Once approved by HUD as part of the Plan, no other HUD approval is required.

Project Subsidy Limits

The HOME Program has established a minimum subsidy amount of $1,000 and a maximum subsidy of $50,000. The subsidy limits are published by HUD each year. However, the City has the option to set-up different limits, as long as they comply with those limits established by the HOME Program. Therefore, the City has set the following parameters for the Program.

1. **Minimum HOME investment**: The minimum amount of HOME funds is an average of $1,000, multiplied by the number of HOME-assisted units in the project.

    a. The minimum **only** relates to the HOME funds, and **not** to any other funds that might be used for project costs.

    b. The minimum HOME investment does not apply to TBRA.

2. **Maximum HOME Investment:** The maximum per-unit HOME subsidy limit varies by PJ. HUD determines the maximum amounts, which are based on the City's Section 221(d)(3) program limits for the metropolitan area each year. In all instances, the loan amount must be in accordance with the loan-to-value ratios explained below.

   The Loan Committee has the authority to approve projects that exceed the standard maximum loan amount when the standard maximum loan limit is not sufficient to bring the unit into code compliance and/or a health and safety standard conditions. These special approvals are to be recommended on an "as needed" basis and are subject to the maximum subsidy limits for the HOME Program.

3. **Loan to Value (LTV) Ratio:** Total indebtedness on the property cannot exceed 80% of the "after rehabilitation" value of the property.

4. **Maximum per-unit subsidy limit is:**

   a. 100 percent of the dollar limits for a Section 221(d)(3) nonprofit sponsor, indexed for base city high cost areas, and adjusted for the number of bedrooms.

5. **Actual HOME Investment:** The actual subsidy provided will depend on the following factors:

   a. The proportion of the total project cost that is HOME-eligible -- some planned project costs may not be eligible expenses under the HOME Program.

   b. The number of units in the project is HOME-assisted -- projects may have a mix of HOME- and non-HOME-assisted units.

   c. The financial needs of the project -- HOME projects may not receive more subsidy than is required to make them financially feasible.

6. Costs in excess of the Program amounts may be supplemented with personal funds.

7. **Affordability Percentage:** Monthly housing costs should not be more than 30% of total income. HUD has developed the Housing Affordability Data System (HADS) to provide consistent measures of affordability over a long period of time. The HADS system analyzes the affordability of housing from several perspectives, including the fraction of income that a household spends on housing each month. HADS uses the standard assumption that a unit is affordable if the household spends no more than 30% of its income on housing. In this context, "housing" includes utility payments and, for owner-occupied housing, real estate taxes, hazard insurance, and fees such as condo fees or homeowner's association fees.

(https://www.huduser.gov/portal/datasets/hads/hads.html)

The American Housing Survey (AHS), released by HUD and the US Census Bureau every two years, determines monthly housing costs by "summing, when applicable, utility costs, real estate taxes, cost of homeowner insurance, condominium/ homeowner's association fees, land/site rent, other mortgage charges, other required mortgage fees, mortgage payments, routine maintenance costs, and rent payments". (https://www.census.gov/programs-surveys/ahs.html)

PROCEDURE: To determine what is required and reasonable, the City of Montebello will complete a cost allocation and subsidy layering analysis. HOME project awards are based on the completed cost allocation and subsidy layering analysis.

Cost allocation and subsidy layering are impacted by any changes in the number of HOME-assisted units, total number of units in the project, development cost, and/or financing sources.

NOTE: Because of these requirements, all of the City of Montebello HOME Recipients are obligated to contact the City as soon as there are any changes in project size, scope, cost, or financing sources.

Eligible Costs

Eligible costs depend on the nature of the program activity. A general list of eligible costs includes the following:

1. **New construction**: HOME funds may be used for new construction of both rental and ownership housing. Any project that includes the addition of dwelling units outside the existing walls of a structure is considered new construction.

2. **Rehabilitation**: This includes the alteration, improvement, or modification of an existing structure. It also includes moving an existing structure to a foundation constructed with HOME funds. Rehabilitation may include adding rooms outside the existing walls of a structure but adding a housing unit is considered new construction.

3. **Reconstruction**: This refers to rebuilding a structure on the same lot where housing is standing at the time of project commitment. HOME funds may be used to build a new foundation or repair an existing foundation. Reconstruction also includes replacing a substandard manufactured house with a new manufactured house. During reconstruction, the number of rooms per unit may change, but the number of units may not.

4. **Reconstruction and Environmental Review (24 CFR Part 58**): Reconstruction may take place anywhere on the lot; however, reconstruction of a single-family unit in a

new location on the lot is classified as new construction for purposes of environmental review. Reconstruction of multi-family is viewed as new construction for the purposes of environmental review if the number of units is increased or decreased by more than 20 percent and/or the cost of reconstruction is more than 75 percent of the total estimated cost of the replacement after the work is completed.

5. **Conversion:** Conversion of an existing structure from another use to affordable residential housing is usually classified as rehabilitation. If conversion involves additional units beyond the walls (envelope) of an existing structure, the entire project will be deemed new construction. Conversion of a structure to commercial use is prohibited.

6. **Site improvements:** Site improvements must be in keeping with improvements to surrounding standard projects. They include new, on-site improvements (sidewalks, utility connections, sewer and water lines, etc.) where none are present. They are essential to the development or repair of existing improvements. Building new, off-site utility connections to an adjacent street are also eligible. Off-site infrastructure is not eligible as a HOME expense but may be eligible for match credit.

   Example: Infrastructure, such as sewer and water lines in a public street in front of a HOME-assisted property, cannot be paid for with HOME funds. However, the connections that run from the HOME-assisted property to the street are eligible HOME costs since they are essential to the property.

7. **Acquisition of property**: Acquisition of existing standard property, or substandard property in need of rehabilitation, is eligible as part of either a homebuyer program or a rental housing project. After acquisition, rental units must meet HOME rental occupancy, affordability, and lease requirements.

8. **Acquisition of vacant land:** HOME funds may be used for acquisition of vacant land only if construction will begin on a HOME project within 12 months of purchase. Land banking is prohibited.

9. **Demolition**: Demolition of an existing structure may be funded through HOME only if construction will begin on the HOME project within 12 months.

10. **Relocation costs**: The Uniform Relocation Act and Section 104(d) (also known as the Barney Frank Amendments; see the appendix for detailed information on these requirements) apply to all HOME-assisted properties. Both permanent and temporary relocation assistance are eligible costs. Staff and overhead costs associated with relocation assistance are also eligible.

11. **Project-related soft costs:** These costs must be reasonable and necessary. Examples of eligible project soft costs include:

    a. Finance-related costs;
    b. Building and planning permits;
    c. Plans and specifications;
    d. Fees – property assessment; recording and filing; and private lender processing;
    e. Reports – termite inspection; soils; geologic; and credit;
    f. Lead-related costs – testing; assessment; hazard reduction work; relocation; clearance
        i. Lead-related costs, such as testing/assessment, hazard reduction work, relocation, and clearance will be paid as a lead grant. Lead testing and assessment must be in conjunction with other rehabilitation work. Stabilization/removal is limited to the items as specified in the work write up to comply with the lead regulations.

    g. Architectural, engineering and related professional services;
    h. Tenant and homebuyer counseling, provided the recipient of counseling ultimately becomes the tenant or owner of a HOME-assisted unit;
    i. Project audit costs;
    j. Affirmative marketing and fair housing services to prospective tenants or owners of an assisted project; and
    k. PJ staff costs directly related to projects (not including TBRA).

    Project-related soft costs, such as title reports, appraisal costs, cost of third-party verifications, recording fees, etc., will be paid by the City as project delivery cost and will be not be included as part of the loan, grant or rebate, provided the applicant follow through with the program. If homeowner cancels assistance or fails to meet provisions, they may be subject to reimburse the City for these costs. Exception for reimbursement would be loss of job, illness of homeowner or family member residing in the home.

Prohibited Activities

The HOME Program regulations explicitly prohibit certain activities, including:

1. **Project reserve accounts**: HOME funds may not be used to provide project reserve accounts (except for initial operating deficit reserves) or to pay for operating subsidies.

2. **Tenant-based rental assistance for certain purposes**: HOME funds may not be used as rental assistance in conjunction with the federal Rental Rehabilitation Program (Section 17) to prevent displacements. They also may not be used for certain

mandated existing Section 8 Program uses, such as Section 8 rent subsidies for troubled HUD-insured projects.

3. **Match for other programs**: HOME Program funds may not be used as the "nonfederal" match for other federal programs except to match McKinney Act funds

4. **Development, operations, or modernization of public housing**: HOME Program funds may not be used to provide assistance authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds).

5. **Properties receiving assistance under 24 CFR Part 248 (Prepayment of Low-Income Housing Mortgages):** Properties receiving assistance through the Low-Income Housing Preservation and Resident Homeownership Act (LIHPRHA) or the Emergency Low Income Preservation Act (ELIHPA) are not eligible for HOME assistance except if the HOME assistance is provided to priority purchasers. These programs are no longer funded.

6. **Double-dipping**: During the first year after project completion, the City may commit additional funds to a project. After the first year, no additional HOME funds may be provided to a HOME-assisted project during the relevant period of affordability, except for:

    a. Rental assistance to families may be renewed.

    b. Rental assistance may be provided to families that will occupy housing previously assisted with HOME funds.

    c. A homebuyer may be assisted with HOME funds to acquire a unit that was previously assisted with HOME funds.

7. **Acquisition of a City-owned property:** The City may not use HOME Program funds to reimburse itself for property in its inventory or property purchased for another purpose. However, in anticipation of a HOME project, the City may use HOME funds to:

    a. Acquire property.

    b. Reimburse itself for property acquired specifically for a HOME project with other funds.

8. **Project-based rental assistance:** HOME funds may not be used for rental assistance if receipt of the funds is tied to occupancy in a particular project. Funds from another source, such as Section 8, may be used for this type of project-based assistance in a HOME assisted unit. Further, HOME funds may be used for other eligible costs, such

as rehabilitation, in units receiving project-based assistance from another source -- for example, Section 8 or state-funded project-based assistance.

9. **Pay for delinquent taxes, fees, or charges**: HOME funds may not be used to pay delinquent taxes, fees, or charges on properties to be assisted with HOME funds.

Hierarchy of the use of funds

Program funds must be used in the following order of priority:

1. Life-Threatening or Safety Repairs.
2. Health and Safety Hazards.
3. Livability Improvements.
4. Non-critical Improvements.
5. Other eligible general property rehabilitation work.

Eligible Repairs and Rehabilitation

Program funds are to be used for the rehabilitation of homes occupied by eligible owners/occupants. Rehabilitation means repairing or improving deteriorated or outdated houses. Deteriorated materials and components must be replaced with like materials. No luxury upgrades are allowed. Eligible repairs and improvements include:

1. Repairs that rectify the most urgent health and safety hazards, such as:

    a. Unsafe structural parts of a house, which are likely to collapse in the immediate future if not supported. (e.g. porch, roof, stairways)
    b. Electrical conditions that is likely to result in a fire or threaten human life in the immediate future. (e.g. overloaded circuits, and hazardous fixtures, switches, outlets, or wiring.)
    c. Plumbing and septic systems repairs, which involve exposed sewage, leaking supply lines, and inoperable water heaters.
    d. Mechanical system repairs that create conditions likely to result in a fire or leakage of gas or fumes.
    e. Other conditions determined by staff that could result in a life-threatening situation in the immediate future.

Incipient means that the fixture or system is functional now, but it is likely to fail in a few years.

2. Repairs that improve deteriorated or inadequate features of the structure that pose no immediate threat to life but will damage the dwelling if ignored, such as:

    a. Defects in electrical, plumbing, and mechanical fixtures
    b. Unsafe entrances and exits
    c. Lack of smoke detector or similar device
    d. Deteriorating or inadequate structural conditions (e.g. crumbling foundations, dry rot, and termite damage)
    e. Roofing
    f. Heat exchanger in the furnace may become inoperative or hazardous
    g. Flooring
    h. Driveway
    i. Fumigation
    j. Modifications that aid the mobility of the elderly and physically disabled.
    k. Other California Building Code deficiencies.

3. Improvements intended to improve the quality of life for dwellings, such as:

    a. Overcrowding
    b. Addition or renovation of bedrooms or bathrooms. (See Item 6 below.)
    c. Renovation of kitchen
    d. Addition or renovation of laundry facility
    e. Lack of energy or water-saving devices (replacement of existing items only)
    f. Heater

4. Improvements that do not address life-threatening or quality of life issues but are eligible, provided that items a and b listed below are in conjunction with work performed:

    a. Sandblasting/stucco
    b. Painting

5. Rehabilitation work not related to rectifying life-threatening and urgent safety issues, fixing health and safety hazards, improving livability, and improving non-critical conditions is considered general property rehabilitation.

    General property improvements for reconstruction would allow for the construction of a garage and/or a driveway.

6. The construction of additional bedrooms and bathrooms is allowed if the need can be demonstrated per the guidelines listed below. The accepted standard definition of overcrowding is more than 1.5 people per room or more than 2 people per bedroom. The program will not fund additions to a home for a den or family room.

GUIDELINES FOR ROOM AND BATHROOM ADDITIONS

Maximum No. of Persons in the Household	Number of Bedrooms	Number of Bathrooms
1	0	1
1-2	1	1
3-4	2	2
5-6	3	2
7-8	4	2
9-10	5	3
11-12	6	3

The following costs are **not eligible** for the use of proceeds for the City of Montebello HOME program:

1. Materials, fixtures, equipment, or landscaping of a type and quality that exceeds adequate service, or that is not customarily used for properties in the same general area. No luxury upgrades are allowed

2. Appliances

3. Construction, rehabilitation or modification to detached garages or structures under HOME program

4. Recreational items such as barbecues, bathhouses, greenhouses, swimming pools, saunas, television antennae, and tennis courts

5. Acquisition of land

6. Room or bathroom additions, except for addressing overcrowding conditions

7. Property taxes

8. Reimbursement of costs incurred prior to the approval of assistance

9. Assistance related costs

10. Repairs related to outstanding insurance claims or claims already paid

Property

The HOME Program rules concerning the type and value of properties eligible for assistance are:

1. **Property Types**

    a. Property must be a single-family home, condominium (interior only), and townhome (interior only)

    b. Property must be owner-occupied

    c. Property must have a fee simple title (clear title) or a 99-year leasehold interest

    d. There must be sufficient equity in the property to ensure compliance of the loan-to-value requirements

    e. Property must be located within City boundaries

    f. Property must contain a legal residential structure intended for continued residential occupancy

    g. The after-rehabilitation value of the property cannot exceed the HOME Homeownership Value Limits, or those established by a local market survey conducted by the City and approved by HUD (applies to HOME program)

    h. All taxes and assessments currently due or in arrears on the real estate must be paid before project can be considered eligible

    i. Property cannot be located in a 100-year storm flood hazard area as identified on the effective Flood Insurance Rate Map (FIRM) in accordance with 43 CFR 6030. If property is located in AO flood zone, then flood zone insurance will be required

2. **Property Value**

    For owner-occupied and homebuyer properties, HOME limits the value or purchase price of the property. In summary, the price or, in the case of rehabilitated properties, the value may not exceed 95 percent of the area median purchase price.

3. **Property Standards**

    City-owned rental projects are to be maintained in compliance with HUD regulations during the affordability period. These policies and procedures will be distributed to property management firms to ensure they comply and conduct regular inspections to avoid future deterioration of the properties and keep them in a healthy, livable condition.

HOME-funded properties must meet the following minimum property standards (MPS):

1. **State and local standards:** State and local codes and ordinances apply to any HOME funded project regardless of whether the project involves acquisition, rehabilitation, or new construction.

2. **Model codes**: For rehabilitation or new construction projects where there are no state or local building codes, the City must enforce national model code.

3. **Housing quality standards**: For acquisition-only projects, if there are no state or local codes or standards, the City must enforce Section 8 Housing Quality Standards (HQS).

4. **Rehabilitation standards**: The City is required to develop written rehabilitation standards to apply to all HOME-funded rehabilitation work. These standards are similar to work specifications, and generally describe the methods and materials to be used when performing rehabilitation activities.

5. **International Energy Conservation Code**: New construction requires compliance with the International Energy Conservation Code.

6. **Handicapped accessibility**: In some cases, handicapped accessibility requirements apply Section (504).

7. **Site and neighborhood standards**: The site and neighborhood standards of 24 CFR 983.6(b) applies only to the new construction of rental housing.

8. **Universal Design standards**: The City of Montebello requires units to adhere to the City of Montebello Rehabilitation Standards for Housing:

    a. The applicable standards vary by the type of activity. Exhibit 1 explains the minimum property standards that apply to each type of HOME activity.

    b. All *new* manufactured housing units must meet the construction and safety standards of 24 CFR 3280. New manufactured housing units must be installed according to state or local codes or the manufacturer's written instructions.

EXHIBIT 1 MINIMUM PROPERTY STANDARDS BY ACTIVITY TYPE	
ACTIVITY	**MINIMUM PROPERTY STANDARD TO BE MET**
Acquisition of Existing Housing (no rehabilitation or construction)	Applicable state or local housing quality standards and code requirements. If no local standards/codes apply, Section 8 HQS.
Rehabilitation of Housing	Local written rehabilitation standards. **AND** State and local code requirements. If no local codes apply, one of the following national model codes: Uniform Building Code (ICBO) National Building Code (BOCA) Standard Building Code (SBCCI) **OR** Council of America Building Official one- or two-family code (CABO) **OR** Minimum Property Standards at 24 CFR 200.925 or 200.926 (FHA) **AND** Handicapped accessibility requirements, where applicable
New Construction of Housing	State and local code requirements. If no state and local codes apply, on the of the following national model codes: Uniform Building Code (ICBO) National Building Code (BOCA) Standard Building Code (SBCCI) **OR** Council of America Building Official one- or two-family code (CABO) **OR** Minimum Property Standards (FHS) at 24 CFR 200.925 (for multi-family) or 200.926 (for one- and two-unite dwellings) **AND** Handicapped accessibility requirements, where applicable.

	New construction of rental housing must meet site and neighborhood standards at 24 CFR 893.6(b)

***Note**: The City of Montebello using MPS may rely on inspections performed by a qualified person.*

Applicants and Beneficiaries

The HOME Program is designed to provide affordable housing to low-income and very-low-income families and individuals. Therefore, the program has rules about targeting program resources and establishing applicant eligibility.

1. **Program Targeting:**

   The City of Montebello will use 100 percent of its HOME funds to assist families with incomes below 80 percent of the area median income.

2. **Rental Housing or TBRA:**

   If the City elects to use HOME funds for rental housing or for TBRA, additional targeting requirements apply:

   a. For each annual HOME allocation, the City of Montebello will require that 90 percent of the occupants of HOME-assisted rental units and households assisted with HOME-funded TBRA must have incomes that are 60 percent or less of the area median.

   b. 20 percent of the units in each rental housing project containing five or more units must be occupied by tenant families with incomes at or below 50 percent of median income.

   c. Owners must adopt written tenant selection policies and procedures.

3. **Applicant Income Eligibility**

   a. **Income eligibility**: Beneficiaries of HOME funds (homebuyers, homeowners, or tenants) must be low-income or very-low-income. Their income eligibility is determined based on their annual income. The income limits are published by HUD each year. All homeowners must certify that they meet the household income eligibility requirements and have their household income documented. The income limits in place at the time of approval will apply when determining applicant income eligibility. Income documentation must

be the most recent available and at least within six months of the approval date.

b. **Annual income**: Annual income is the gross amount of income anticipated by all adult household members during the 12 months following the effective date of the determination.

***NOTE**: Annual income is sometimes referred to as gross income or annual (gross) income.*

Definition of Annual Income

In accordance with 2013 HOME Final Rule, the City of Montebello has selected a single definition of income for each of its HOME-assisted programs (e.g. 0% Deferred Loan, Homebuyer Assistance Program, etc.) administered by the City.

Annual income will be determined by examining at least 2 months of source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family. Furthermore, when determining whether a family is income-eligible, the City will use the following definition of "annual income":

(1) Annual income as defined at 24 CFR 5.609 will be utilized while applying exclusions from income established at 24 CFR 5.611 as further required by the 2013 HOME Final Rule.

The City will calculate the annual income of the family by projecting the prevailing rate of income of the family at the time that the City determines that the family is income eligible. Annual income will include income from all persons in the household and income or asset enhancement derived from the HOME-assisted project will not be considered in the calculation.

The City will not re-examine the family's income at the time the HOME assistance is provided, unless more than six months has elapsed since the City determined that the family qualified as income-eligible.

Note: The definition listed above provides guidance on what items to include in annual income calculation (for example, wages, salaries, tips, etc.). They do not affect the method in which income is verified (discussed under "Income Verifications" below).

Income Verification

1. **Initial Verification**: To determine if program applicants are income-eligible, Recipients must verify their income using source documentation such as wage statements, interest statements, and unemployment compensation statements.

a. Income eligibility is based on anticipated income. When collecting income verification documentation, also consider any likely changes in income.

Note: A last year's tax return does not establish anticipated income; nor is it adequate source documentation.

b. Once initial income verification is completed, a Recipient is not required to re-examine the applicant's income unless six months has elapsed before assistance is provided.

2. **Annual Re-examinations**: For rental programs, annual re-certifications of income are required. While the HOME Program regulations require that income must be verified with source documentation every five years, the City of Montebello requires income be verified with source documentation annually.

Long-Term Affordability

To ensure that HOME investments yield affordable housing over the long term, HOME imposes rent and occupancy requirements over the length of an affordability period.

Affordability Periods

For homebuyer and rental projects, the length of the affordability period depends on the amount of the HOME investment in the property and the nature of the activity funded. Exhibit 2 below provides the affordability periods.

EXHIBIT 2 HOME INVESTMENT PER UNIT	LENGTH OF THE AFFORDABILITY PERIOD
LESS THAN $15,000	5 YEARS
$15,000 - $40,000	10 YEARS
MORE THAN $40,000	15 YEARS
NEW CONSTRUCTION OF RENTAL HOUSING	20 YEARS
REFINANCING OF RENTAL HOUSING	15 YEARS

Occupancy

Throughout the affordability period, the HOME-assisted housing must be occupied by income-eligible households.

1. **Rental housing:** When units become vacant during the affordability period, subsequent tenants must be income-eligible and must be charged the applicable HOME rent. (See Chapter 6 for more information.)

2. **Homebuyer assistance**: If a home purchased with HOME assistance is sold during the affordability period, resale or recapture provisions apply to ensure the continued provision of affordable homeownership.

Property and Occupancy Eligibility Requirements

1. Property must be a single-family home, condominium (interior only), and townhome (interior only).

2. Property must be owner-occupied.

3. Property must have a fee simple title (clear title) or a 99-year leasehold interest.

4. There must be sufficient equity in the property to ensure compliance with the loan-to-value requirements.

5. Property must be located within City boundaries.

6. Property must contain a legal residential structure intended for continued residential occupancy.

7. The after-rehabilitation value of the property cannot exceed the HOME Homeownership Value Limits, or those established by a local market survey conducted by the City and approved by HUD (applies to HOME program).

8. All taxes and assessments currently due or in arrears on the real estate must be paid before a project can be considered eligible

9. Property cannot be located in a 100-year storm flood hazard area as identified on the effective Flood Insurance Rate Map (FIRM) in accordance with 43 CFR 6030. If property is located in AO flood zone, then flood zone insurance will be required.

Homeownership Exceptions

Homeownership means ownership in fee simple title in a one- to four-unit dwelling or in a condominium unit or 99-year leasehold interest except:

1. Housing located in insular areas must have a ground lease for at least 40 years.

2. Housing located on land owned by a community land trust for at least 50 years.

Ownership interest must be in good, marketable title, subject to only certain restrictions. The following situations also meet the ownership definition subject to only certain conditions:

1. Inherited property with multiple owners. This provision is for housing for which title has passed, by inheritance, to several heirs, not all of whom reside in the housing. This most often occurs when siblings inherit a family home that is occupied by one sibling. Rehabilitation assistance will be provided to the owner-occupant when he/she: (a) is low- income, (b) occupies the housing as his or her principal residence, and (c) pays all the costs associated with ownership and maintenance of the housing (e.g., mortgage, taxes, insurance, utilities).

2. Life Estate. Under a life estate, the occupant of the property has the right to live in the housing for the remainder of his or her life and does not pay rent. This might be a situation where a disabled adult occupies a dwelling owned by another family member under a life estate, or in which a deceased spouse leaves a property to the children of a previous marriage but permits the other spouse to occupy the property for the remainder of his or her life. Rehabilitation assistance may be provided to the person holding the life estate, provided the person is low-income and occupies the housing as his or her principal residence.

3. Inter vivos trust, also known as living trust. A living trust is created when the owner of property conveys his or her property to a trust for his or her own benefit or for that of a third party (the beneficiaries). The trust holds legal title and the beneficiary holds equitable title. The trustee is under a fiduciary responsibility to hold and manage the trust assets for the beneficiary. This is a common estate planning tool. Rehabilitation assistance may be provided to a property if all beneficiaries of the trust qualify as a low- income family and occupy the property as their principal residence. The contingent beneficiaries, who receive no benefit from the trust and have no control over the trust assets until the beneficiary is deceased, need not be low-income. The trust must be valid and enforceable and must ensure that each beneficiary has the legal right to occupy the property for the remainder of his or her life.

4. Beneficiary Deed. A beneficiary deed conveys an interest in real property, including any debt secured by a lien on real property, to a grantee beneficiary designated by the owner and that expressly states that the deed is effective on the death of the owner. Upon the death of the owner, the grantee beneficiary receives ownership in the property, subject to all conveyances, assignments, contracts, mortgages, deeds of trust, liens, security pledges, and other encumbrances made by the owner or to which the owner was subject during the owner's lifetime. Rehabilitation assistance may be provided to the owner if he or she qualifies as low-income and occupies the property as his or her principal residence.

PART 2: COST ALLOCATION AND SUBSIDY LAYERING

The City of Montebello performs a cost allocation and subsidy layering review of HOME projects to determine the appropriate subsidy amount to the project. The actual HOME Investment in a project depends on:

1. The proportion of the total project cost that is HOME-eligible -- some planned project costs may not be eligible expenses under the HOME Program.

2. How many of the units in the project are HOME-assisted -- Projects may have a mix of HOME- and non-HOME-assisted units.

3. The financial needs of the project -- HOME projects may not receive more subsidy than is required to make them financially feasible.

4. Cost allocation and subsidy layering are impacted by any changes in the proportion of the HOME-assisted unit to total units in the project, development cost, or financing sources.

5. Because of these requirements, CHDOs, developers or sub-recipients must contact the City of Montebello as soon as there are any changes in project size, scope, cost, or financing sources at any point during the development of the project.

Cost Allocation

The HOME Program distinguishes between the units in a project that have been assisted with HOME funds and those that have not resulting in the term HOME-assisted unit. The distinction between HOME-assisted and unassisted units allows HOME funds to be spent on mixed-income projects while still targeting HOME dollars only to income-eligible households.

Determining a HOME Assisted Unit

HOME rules create a floor (minimum) for the number of HOME-assisted units a project must-have. This floor is based on the proportional share of total eligible costs to be paid with HOME funds.

1. Before determining the allowable HOME subsidy amount, the City will establish the total HOME-eligible cost for the project.

2. Once the total HOME-eligible costs are established for the project, the City must allocate costs across units.

3. If both the assisted and non-assisted units are comparable in size, features, and number of bedrooms, the HOME-eligible costs can be pro-rated across units. (Since floating units, by definition, must be comparable, costs should always be pro-rated.)

4. If the assisted and non-assisted units are not comparable, the actual costs must be determined and allocated unit-by-unit. The specific units identified to "receive" HOME funds must be fixed -- that is, designated as HOME-assisted.

Subsidy Layering

HUD establishes limits on the amount of HOME funds that may be invested in affordable housing on a per-unit basis for specific areas as specified below:

1. Before committing funds to a project that combines the use of any other local, State or Federal assistance, the City of Montebello will evaluate the project in accordance with guidelines that it has adopted, to ensure that the City does not invest any more HOME funds than are necessary to provide affordable housing.

2. The City of Montebello will conduct a subsidy layering review in accordance with the guidelines presented in HUD Notice CPD-98-01. These guidelines include review of the following project documents:

    a. Sources and/or uses of funds: CHDOs/Developers/Subrecipients are required to provide the City of Montebello the sources/uses of funds statement for the project with supportive documentation. This statement should reflect the project development budget and should list:

        i. All proposed sources (both private and public) of funds and the dollar amounts for each respective source;
        ii. Construction costs; and
        iii. Financing costs and professional fees associated with the project.

    b. Certification of governmental assistance: CHDOs/Developers/Subrecipients must provide a formal certification as to whether or not additional governmental assistance will be provided to the project, and if so, what kind of assistance.

    c. Project development budget: CHDOs/Developers/Subrecipients must provide the City of Montebello the project development budget so that the City can determine whether the development costs are necessary and reasonable. The budget should include all costs associated with the development of the project, regardless of the funding sources.

    d. "Reasonableness" of costs will be based on all of the following three factors:

        i. Costs of comparable projects in the same geographical area;
        ii. Qualifications of the cost estimators that developed the various budget line items; and

iii. Comparable costs published by recognized industry cost index services.

e. Proforma: The City of Montebello will determine the reasonableness of the rate of return on an equity investment by looking at the CHDOs/Developers/Subrecipients proforma (project income and expense statement).

i. The proforma should include achievable operating expenses.
ii. It should also specify the consequences of tax benefits, if any, and any other assumptions used in calculating the project cash flow.
iii. The proforma should represent, at a minimum, the term of the HOME affordability requirements, or longer if other funding sources require longer affordability terms.

Other Requirements

1. Property owners must submit an application and obtain approval prior to beginning repairs. Costs of repairs completed prior to assistance approval are not eligible for reimbursement.

2. 100% of financial assistance must be used to rehabilitate the home. No cash is provided to homeowner.

3. The loan is to be recorded as a trust deed on the property and cannot be lower than 2nd position. Open lines of credit must be closed prior to loan approval.

4. There is a maximum of $100,000 asset limitation in order to apply for the program. The value of homeowner's permanent residence not to be included as part of assets. Income derived from assets must be included in the income calculation.

5. Fire insurance: The homeowner must maintain fire insurance on the property for the duration of the program loan(s). This insurance must be an amount adequate to cover all encumbrances on the property. The insurer must identify the City as Loss Payee for the amount of the program loan(s). A binder must be provided to the City and maintained in the project master file.

6. Flood insurance: For homes in a 100-year flood zone, the homeowner must maintain flood insurance in an amount adequate to secure the Program loan and all other encumbrances. This policy must designate the City as Loss Payee and a binder must be provided to the City and maintained in the project master file.

Termination or Denial of Program Assistance

Applicants may be terminated from Program or denied assistance for the following reasons. This is not a complete list. It only includes those areas for which the applicant has direct control.

1. Terminated from a federal, state, or local program, such as Section 8.

2. If applicant owes any money to the City or any housing authority under any program. If there is a repayment agreement, applicant can be terminated for not honoring the terms of the agreement.

3. False or withholding information.

4. Lack of proper paperwork.

5. The value of cash and investments exceeds $100,000, except under the following circumstances:

    a. The account is a qualified retirement account (IRA, annuity, deferred compensation)

    b. The account is used for regular retirement income as shown over a 2-year history, and

    c. Balance in the account does not exceed $300,000, and

    d. The monthly disbursement is the largest source of monthly income

6. If any member of the family commits fraud, bribery or other corrupt or criminal act in connection with any federal, state or local housing and assistance programs.

7. Not following procedures.

8. Un-permitted structures that are not eligible improvements and will not be addressed as part of the project.

9. Lack of maintenance of previously program funded improvements.

10. If applicant participated in the Program in the past, cannot reapply within seven years after the case close date for the grant and or loan program.

11. If any member of the family engages in or threatened abusive or violent behavior toward City staff.

12. If any member refuses to sign or submit any forms.

Termination Procedures:

a. Notify applicant in writing

b. Informal hearing meeting with Economic Development Director

c. If applicant wishes to appeal the termination, the case will be submitted to the Loan Committee for further review and final decision.

Additional Funds

Loans—Due to unforeseen expenses during construction, which exceed the allocated contingency fund, it may be necessary to lend additional monies to complete the project. This is possible as long as the additional funds will not cause the loan to exceed the maximum loan amount, and the maximum LTV. The homeowner must execute a new Deed of Trust and Promissory Note prior to receiving additional funds.

Grants—Any funds that will not be covered by the program and will be the homeowner's responsibility, must be paid directly to the contractor in a form of a cashier's check or money order made out to the contractor. The proof of payment is to be submitted to the City at the completion of the project.

Death of Applicant

1. If an applicant passes away during the process of the application and no other persons are on the title, and no work has started, assistance will be terminated

2. If other person(s) are on title and reside in the property, assistance will continue so long as household remains income eligible.

3. Additional titleholders that do not reside in the property and property is not occupied; assistance will be terminated.

4. If work has started and applicant passes away and no one else is on title or resides at the property:

    a. Continue with assistance, Executor to repay the program from trust

    b. Continue with assistance, establish a repayment plan

5. If work has started and other person(s) are on title, but do not reside in the property:

    a. Continue with assistance, property to be occupied by additional title holder as specified in the agreement and will be considered owner-occupied.

b. Continue with assistance, if the property is not owner-occupied, assistance is to be repaid based on repayment plan.

Repayment

Loans and grants are to be paid in full if the property is not maintained. All loans must be repaid according to terms.

All loans are subject to the following acceleration clause:

The City loan plus all accrued interest becomes due and immediately payable if any of the following occurs:

1. Sale or transfer of the property, including lease, exchange or other disposition of the property, whether voluntary or involuntary.
2. The refinancing of existing first deed of trust for a loan amount in excess of the then-current loan balance. Refer to Subordination Requirements.
3. When the borrower is in default of any other obligation under the Loan Agreement.
4. When the borrower no longer occupies the property as the principal residence.
5. Death of borrower. The loan is due and payable within three (3) months of the date of death.
6. Lack of maintenance on the property.

The City will be the receiver of loan payments and must maintain a financial record-keeping system to record payments and file statements on payment status. Payments must be deposited and accounted for in the City's appropriate Program Income Account, as required by HUD. The City will accept loan payments from borrowers prepaying deferred loans, and from borrowers making payments in full upon sale or transfer of the property. The City may at its discretion, enter into an agreement with a third party to collect and distribute payments and/or complete all loan servicing aspects of the Program.

Assumption

Loans are not assumable, in whole or in part. In the event that a homeowner sells, transfers title, or discontinues residence in the rehabilitated property for any reason, the loan becomes due and payable. Original borrowers can be deleted from title, but no additional persons can be added.

Subordination

A subordination request may be approved, at the City's sole discretion, only if it meets the following terms and conditions:

1. Property to become part of a Trust under original borrower(s).

2. Refinancing

    a. The new loan must reduce the overall housing expenses.
    b. No cash-out is permitted, which means that new loan proceeds must be used only to pay off the existing senior debt and reasonable closing costs. Cash-out for debt consolidation, vacations, etc. is not allowed.
    c. The total LTV ratio cannot exceed 80% of the property-appraised value.
    d. The new loan must have a lower fixed interest from the current.
    e. The new loan shall include an impound account for property taxes and insurance.
    f. The new loan must be amortized over at least 15 years.
    g. The City loan's position must not be diminished from its original position; for example, if the City loan is a second trust deed, the City will not subordinate to a third position.
    h. No lender prepayment penalties are allowed.
    i. A complete subordination package must be submitted to the City for review of compliance, and recommendation. The subordination package must include:
        i. Letter of explanation for the subordination request
        ii. Copy of new loan application
        iii. Copy of new lender approval
        iv. Copy of underwriting and transmittal summary
        v. Copy of certified escrow instructions
        vi. Copy of estimated closing statement (estimated HUD-1)
        vii. Copy of preliminary title report
        viii. Copy of current property appraisal (no older than 6 months)
        ix. Copy of most recent mortgage statement

Monitoring

Continued residency will be monitored each year for the term of the loan. For loans, the homeowner must submit an annual certification that the property continues to be their principal place of residence, and attach appropriate verification of residency, such as utility bill and insurance renewal that evidences owner-occupancy.

CHAPTER 3: CHDO REQUIREMENTS AND ACTIVITIES

Part I of this chapter details the CHDO set-aside requirements, the qualifications of a CHDO, CHDO set-aside roles, and the types of assistance the City of Montebello may provide CHDOs while Part II of this chapter covers the City's CHDO selection process.

PART 1: HOME PROGRAM REQUIREMENTS

A Community Housing Development Organization (CHDO) is a private nonprofit, community-based service organization that has obtained or intends to obtain staff with the capacity to develop affordable housing for the community it serves.

The City of Montebello is committed to support City-approved certified Community Housing Development Organizations (CHDOs) that have the appropriate capacity and consent to develop quality affordable housing throughout the City of Montebello. Therefore, the City of Montebello continues to encourage qualified nonprofit organizations to apply for certification as a CHDO.

CHDO Set-Aside Requirement

Reservation of Set-Aside of Funds for CHDOs:

1. The City of Montebello has up to 24 months from after the last day of the month in which HUD signs the HOME Investment Partnerships Agreement transmittal letter to identify and designate the CHDOs they plan to work with, and to reserve funds for the CHDOs' use.

2. The City of Montebello may set aside 15 percent of their funds for housing owned, developed, or sponsored by CHDOs.

3. CHDOs may engage in other HOME-eligible activities in which they are not the owners, developers, or sponsors of the housing. However, the HOME funds committed to those activities will not count toward the set-aside.

4. The CHDO reservation of funds can be made by the City before specific projects are identified.

CHDO Qualifying Criteria

The City of Montebello will certify a nonprofit agency as a CHDO to qualify for the CHDO set-aside. As such, the City of Montebello will accept applications for certification on a continuous basis and the certification is valid for one (1) year.

A **CHDO** is a specific type of private nonprofit entity. CHDOs must meet certain requirements pertaining to their:

1. Legal status;
2. Organizational structure; and
3. Capacity and experience.

(HUD Notice CPD 97-11 details these requirements).

1. Legal Status

a. Organized under State/local law: CHDOs must be organized under State and local law.

b. Purpose of organization: Provision of decent housing that is affordable to low- and moderate-income persons must be among the purposes of the organization. This commitment must be evidenced in the CHDO's:

i. Charter;
ii. Articles of incorporation;
iii. By-laws; or
iv. A resolution of the CHDO's board of directors.

c. No individual benefit: No part of the CHDO's earnings (profits) may benefit any members, founders, contributors, or individuals.

d. Clearly defined service area: A CHDO should have a clearly defined geographic service area.

i. CHDOs do not need to represent a single neighborhood.
ii. For urban areas, a CHDO may include in its service area a neighborhood or neighborhoods, city, county, or metropolitan area.
iii. For rural areas, a CHDO may include in its service area a neighborhood or neighborhoods, town, village, county or multi-county area (but not the entire State.)
iv. Nonprofits serving special populations must also define the geographic boundaries of their service areas in order to qualify as CHDOs.

e. Nonprofit status

i. A CHDO must have received a tax-exempt ruling from the IRS under Section 501(c)(3) of the Internal Revenue Code of 1986 in order to be designated by the PJ as a CHDO.

ii. There are many incorporation options under Section 501(c), depending on the type and purpose of the organization seeking the designation for tax-exemption.

f. The 501(c) designation status:

The 501(c) designation status permissible under HOME is**:**

i. 9 501(c)(3) -- a charitable, nonprofit corporation;
ii. 9 501(c)(4) -- a community or civic organization;
iii. 9 Section 905 -- a subordinate organization of a 501(c) organization.

g. IRS standards for granting a 501(c)(3):

i. Designation for housing development organizations are narrowly applied, lengthening the time it can take to receive a 501(c)(3) designations.
ii. Designation can take 9 to 24 months.
iii. The timeframe varies by IRS region.

h. Conditional designation:

i. The IRS will usually grant new applicants a conditional designation of 501(c) status, valid for a specified period of time (usually three years.)

ii. During that period of time, the organizations may operate legally as 501(c) organizations, with all benefits pursuant to that designation, while the IRS monitors their operations.

i. Final designation:

Assuming the CHDO operates in compliance with applicable regulations during this period, the IRS will grant them final 501(c) designation.

NOTE: The City of Montebello requirement for a 501(c) designation can only be fulfilled by having a final designation from the IRS.

NOTE: Pending 501(c) Status Documentation that the CHDO has an application for 501(c) status pending at the IRS will not suffice to fulfill the nonprofit status requirement.

2. Organizational Structure

The City's requirement for a CHDOs organization structure is:

a. The structure of the board of directors of a CHDO is viewed as the main indicator of community control over the CHDO. With that, a CHDOs Board of Directors must be composed of the following:

   i. At least one-third must be representatives of the low-income community.

   ii. No more than one-third may be public officials or employees of the City.

   iii. The balance is unrestricted and may include people such as human and social service providers, lenders, individuals with access to philanthropic resources, or others willing to contribute their professional expertise.

   iv. There are also maximum limits on representation and control by a for-profit entity when the CHDO is sponsored by a for-profit entity.

b. Low-income community representation: As noted above, a minimum of one-third of the board must consist of representatives of the low-income community. There are three ways to meet this requirement:

   i. Residents of low-income neighborhoods in the community.

      - Low-income neighborhoods are defined as neighborhoods where 51 percent or more of the residents are low-income.
      - Residents of low-income neighborhoods on CHDO boards do not have to be low income themselves.

      and/or

   ii. Low-income residents of the community.

      - In urban areas, "community" is not necessarily limited to a single neighborhood, but may include several neighborhoods, the city, county or metropolitan area.
      - In rural areas, "community" may also cover a multi-county area (but not the whole state). The board need not include low-income residents from each county in the multi-county area.
      - Low-income residents of low-income neighborhoods in the community do not need to submit proof of their income.
      - If low-income residents of the community who do not live in low-income neighborhoods are necessary to meet this threshold, the

CHDO must obtain a certification from the resident that the resident does qualify as low-income.

and/or

iii. Elected representatives of low-income neighborhood organizations.

- A low-income neighborhood organization is an organization composed primarily of residents of a low-income neighborhood.
- The primary purpose of the organization must be to serve the interests of the neighborhood residents.
- Block groups, town watch organizations, civic associations, neighborhood church groups, and NeighborWorks organizations can be examples of low-income neighborhood organizations.
- The governing body of the low-income neighborhood organization may elect the representative(s) to serve on the CHDO board.

c. Low-income input: Input from the low-income community is not met solely by having low-income representation on the board. The CHDO must meet the requirements as follows:

i. The CHDO must also provide a formal process for low-income program beneficiaries to advise the CHDO on design, location of sites, development, and management of the organization's by-laws or a board resolution.

ii. This requirement is especially important for CHDOs serving a large geographic area, where it may not be possible for a CHDO to have low-income board representation from every neighborhood in which the CHDO will develop, own, or sponsor housing.

iii. CHDOs should establish systems for community involvement in parts of their service areas where housing will be developed, but which are not represented on their boards. Such systems might include special committees of neighbors of a proposed development site, neighborhood advisory councils, or open town meetings.

d. Public-sector limits: A maximum of one-third of the governing board may consist of representatives of the public sector.

e. This limitation is intended to ensure that separation exists between the City and CHDOs, and that CHDOs are indeed community-based and community-controlled organizations.

i. A member of the governing board of a CHDO would be considered a representative of the public sector if he or she is a public official, including:

ii. Elected officials of the City of Montebello - council members, aldermen, commissioners, state legislators, members of a school board, etc.

iii. Appointed public officials - members of a board or State commission or of any other regulatory and/or advisory boards or commissions that are appointed by the State.

iv. Public employees of the City - all employees of public agencies (including the schools) or departments of the local government (e.g., a clerk in the water and sewer department, a public facility janitor or a secretary in the tax assessment office); or

v. Appointed by a City official - any individual who is not necessarily a public official, but who has been appointed by a City official to serve on the CHDO board

vi. Members of the board appointed by public officials cannot select other members of the board.

f. If the public official is low-income: Public officials and/or appointees who themselves are either low-income community residents or residents of a low-income neighborhood count against the one-third maximum limit of public sector representatives. However, they do not count toward the one-third minimum requirement of community representatives.

g. Cities, public bodies, or instrumentalities: Cities, public bodies or instrumentalities of public bodies cannot be considered CHDOs. Examples of instrumentalities of public bodies include public housing authorities (PHAs), urban renewal agencies, redevelopment authorities, and downtown development authorities.

i. The limits on public-sector representation on CHDO boards only serve to define CHDOs. There are other (not specific to HOME) restrictions on the participation of public officials on the boards of nonprofit organizations seeking public funds. The City should observe their conflict-of-interest guidelines in this regard as well.

h. Sponsored CHDOs: Nonprofits that have been sponsored by other nonprofits, charities, religious organizations, local or state government, public agencies, or for-profit corporations may qualify as CHDOs, but certain additional requirements and board limitations can apply.

i. Nonprofit and charity sponsors:

    i. There are no limits on the proportion of the board that may be appointed by nonprofit or charity sponsors, as long as the minimum one-third community representation is met and the maximum one-third public representation is not exceeded.

    ii. A one-year minimum history of service to the community by the sponsoring nonprofit or charity may help a new nonprofit to qualify as a CHDO.

j. Religious organization sponsors:

    i. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HOME Program. Government entities are not to discriminate against an organization on the basis of the organization's religious character or affiliation.

    ii. However, organizations directly funded under HOME may not engage in inherently religious activities. If the organization conducts such activities, they must be offered separately and participation must be voluntary for the beneficiaries of the assistance provided.

Additional guidance regarding religious or faith-based organizations is provided in 24 CFR 92.2.57 of the HOME final rule.

k. Local, state government and public agency sponsors:

    i. A local or state government and/or a public agency cannot qualify as a CHDO but may sponsor the creation of CHDOs.

    ii. Government officials and appointees of the government cannot exceed one-third of the members of the board.

    iii. All other CHDO rules and requirements also apply.

l. For-profit corporate sponsors:

i. A CHDO cannot be controlled by, nor be under the direction of, for-profit entities or individuals seeking profit from the organization.

ii. CHDOs may be sponsored or organized by a for-profit if:

- The primary purpose of the for-profit sponsor is not the development or management of housing (that is, a builder, developer or real estate management firm may not spin off a CHDO);
- The for-profit appoints no more than one-third of the CHDO's governing board and the board members appointed by the for-profit do not appoint the remaining members of the board; and
- The CHDO is free to contract for goods and services from any vendors it selects.

3. Experience and Capacity

a. CHDO experience: A CHDO must demonstrate that it has at least *one year* of experience serving the community where it intends to develop the HOME-assisted housing.

i. Newly created organizations wishing to become CHDOs can meet this requirement if the parent (or sponsoring) organization is a nonprofit and has provided services to the community for at least one year.

ii. The year of service does not have to be directly related to housing.

iii. Prior service to the community cannot consist of a for-profit organization's work in that community.

b. CHDO capacity: A CHDO must demonstrate the capacity of their key staff to carry out the HOME-assisted activities they are planning. This means that CHDOs must have:

i. Experienced key staff who have successfully completed projects similar to those proposed by the CHDO; or

ii. Key staff with limited or no experience, and who will use experienced consultants for the planning and development activities, as long as there is a plan in place for the consultant to train the key staff.

c. Differences in required experience and capacity: There are significant differences in the type of experience and capacity that is required to carry out the variety of housing development activities eligible under the HOME

program. Therefore, "experience in having completed similar projects" is different for development/management of rental housing and development/sale of housing for homebuyers.

i. Because the purpose of the CHDO capacity requirement is to build staff expertise, CHDOs must have their own professional staffs. This means that the key staff required to demonstrate CHDO capacity cannot be:

- ✓ Municipal, county or state employees; or
- ✓ Consultants (paid or volunteer) not planning to train the CHDO's key staff.

4. Financial and Accounting Systems

a. **Financial standards**: CHDOs must have financial accountability standards that conform to 24 CFR 84.21, "Standards for Financial Management Systems."

i. If a CHDO or nonprofit is in the role of a subrecipient, it must comply with certain provisions or 24 CFR Part 84 and OMB Circular A-122 “Cost Principals for Non-Profit Organizations.” Both publications are included are in the appendices.

ii. If a CHDO is acting as an owner, sponsor, or developer of HUD HOME assisted housing, the requirements at 24 CFR 84.21, “Standards for Financial Management Systems” apply. This means the CHDO must relate financial data to performance data and develop unit cost information.

The systems include the following:

- Accurate, current, and complete financial results;
- Records that identify the sources and uses of the funds;
- Control over and accountability of all funds and assets;
- Comparison of actual expenditures against budgets;
- Written procedures to minimize time between the transfer of funds in and the payment of funds out;
- Written procedures for determining reasonableness, allocability, and allowability of costs; and
- Accounting records including cost accounting records supported by sources documents**.**

b. **Accounting systems:** CHDOs/Nonprofits should establish accounting systems that include at a minimum the following reporting reports:

   i. A chart of accounts that includes

      ✓ The categories of accounts;
      ✓ The name of the account;
      ✓ The number of the account;

   ii. Cash receipts journal that includes

      ✓ The date the funds were received listed in chronological order;
      ✓ The amount received;
      ✓ The source of the funds;
      ✓ The purpose of the funds;

   iii. Cash disbursements journal that includes

      ✓ The date funds were paid out listed in chronological order;
      ✓ The date the expense was incurred;
      ✓ The purpose of the expense;
      ✓ The amount paid;
      ✓ To whom it was paid;

   iv. Payroll journal that includes

      ✓ A listing of employees;
      ✓ Amounts paid to the employees;
      ✓ Benefit expenses paid;

   v. General ledger that includes

      ✓ A summary of all account activities listed in chronological order; and
      ✓ The financial status of all the accounts of the organization.

c. **Source documentation:** Costs charged against the HOME program must be supported by source documentation that shows that the costs were:

   i. Incurred during the effective period of the agreement;
   ii. Actually paid out;
   iii. Expended on eligible items and activities; and
   iv. Approved by the appropriate officials of the organization.

CHDOs Set-Aside Roles: Owner, Developer, and Sponsor

The City of Montebello provides CHDO set-aside funds to CHDOs acting as owners, developers, and sponsors of projects that create new units of affordable housing in their communities. To qualify for the set-aside funds, the CHDO must have effective decision-making authority.

CHDO set-aside funds may be used by CHDOs for those HOME activities where the CHDO acts as the owner, developer, or sponsor of the housing.

1. **Owner**: The CHDO is an "owner" when it holds valid legal title to or has a long-term (99-year minimum) leasehold interest in a rental property. The CHDO may be an owner with one or more individuals, corporations, partnerships or other legal entities.

    a. The CHDO may be the owner and developer of its own project.

    b. The CHDO may own a property in partnership with either a majority or minority interest. However, the CHDO -- in partnership with a wholly owned for-profit or nonprofit subsidiary -- must be the managing general partner with effective control.

2. **Developer**: A CHDO is a "developer" when it either owns a property and develops a project, or has a contractual obligation to a property owner to develop a project.

    a. If the CHDO owns the property, it must obtain financing and rehabilitate or construct the project.

        i. For HOME-assisted rental housing: At project completion, the CHDO may maintain ownership and manage the project over the long-term, or it may transfer the project to another entity for long-term ownership and management.
        ii. For HOME-assisted homebuyer project: The CHDO transfers title of the property and the HOME obligations to an eligible homebuyer within a specified timeframe of project completion.

    b. If the CHDO does not own the property, it must be under a contractual obligation with the owner to obtain financing and rehabilitate or construct the project. Under this scenario, the CHDO assumes all of the risks and rewards associated with being the **most** detail the CHDO's specific obligations.

        iii. For HOME-assisted rental housing: The CHDO may, at project completion, manage the project for the owner.

iv. For homebuyer housing: The owner must transfer title of the property and the HOME obligations to eligible homebuyers within a specified timeframe of project completion.

c. If the CHDO develops the property for an owner pursuant to a written or other agreement with the City, the CHDO is acting in the capacity of a subrecipient.

3. **Sponsor**: A CHDO is a "sponsor" for HOME-assisted rental or homebuyer housing according to the circumstances outlined below.

   a. For HOME-assisted rental housing: The CHDO develops a project that it solely or partially owns and agrees to convey ownership to a second nonprofit organization at a predetermined time. The conveyance may take place prior to, during, or upon completion of the development phase.

   b. The HOME funds are invested in the project owned by the CHDO sponsor.

   c. The CHDO sponsor identifies the particular nonprofit organization that will obtain ownership of the property prior to commitment of HOME funds.

   d. The other nonprofit will assume from the CHDO at a specified time all HOME obligations (including repayment of loans and tenant and rent requirements) for the project. If the property is not transferred to the nonprofit organization, the CHDO sponsor will remain liable for the HOME obligations.

   e. The other nonprofit organization must be financially and legally separate from the CHDO sponsor. (The second nonprofit may have been created by the CHDO; nevertheless, it is a separate entity from the CHDO.)

   f. The CHDO sponsor must provide sufficient resources to the nonprofit organization to ensure the completion of development and long-term operation of the project.

4. **Similar roles**: The developer and sponsor roles are similar in many ways.

   a. In both the developer and sponsor roles, the CHDO carries out some or all of the principal project development activities -- such as acquisition, financing, construction management and putting together a capable development team -- to bring project from conception to completion.

   b. However, as developer, the CHDO need not own the property.

c. As sponsor, the CHDO must own the property and shift the responsibility from the CHDO to another specific nonprofit at some specified time in the development process. Transfer could occur, for example, at:

i. Initiation of the construction;
ii. Completion of the construction; or
iii. Issuance of the certificate of occupancy.

The HOME long-term affordability requirements for the project are the responsibility of the owner or subsequent owners of the property.

5. CHDOs vs. Subrecipients

A community-based nonprofit organization may meet all of the regulatory requirements to be designated as a CHDO. However, in order for CHDO activities to count toward the CHDO set-aside, the CHDO must be the developer, sponsor and/or owner of the HOME-assisted housing.

6. CHDO as a Subrecipient:

CHDOs may play the role of a "subrecipient" undertaking all other HOME-eligible activities, even if these activities do not count toward the CHDO set-aside.

a. A HOME subrecipient is an entity selected by the City to administer aspects of a HOME program (that is, screen projects, market activities, review and certify tenant income, counsel potential homebuyers) or an entire HOME activity (review requests for HOME funds for the rental housing production set-aside.).

i. Restrictions: When a CHDO is acting in the capacity of a HOME subrecipient, it may not also receive HOME funds to develop, sponsor or own housing funded through the subrecipient activity the CHDO administers. Doing so would constitute a conflict-of-interest for the CHDO.

CHDO Eligible Uses

With the City of Montebello approval, CHDOs may use HOME funds for ***all*** eligible HOME activities. However, only certain types of activities count toward the minimum 15 percent set-aside.

1. Eligible Uses:

Eligible set-aside activities include the following when carried out by a CHDO acting as an **owner, developer or sponser**:

a. Acquisition and/or rehabilitation of rental housing;

b. New construction of rental housing;

c. Acquisition and/or rehabilitation of homebuyer properties;

d. New construction of homebuyer properties; and

e. Direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO with HOME funds.

2. **Ineligible Uses:**

The following activities are ineligible set-aside activities, but may be carried out by the CHDO as a **subrecipient**:

a. Tenant-based rental assistance;

b. Homeowner rehabilitation; and

c. Brokering or other real estate transaction.

CHDO Special Assistance

The City of Montebello may use HOME funds to provide special assistance to CHDOs that include:

1. Project pre-development loans;
2. Use of HOME project proceeds; and
3. Capacity-building assistance.

NOTE: In contrast to the 15 percent set-aside, which is mandated, the City has total discretion over whether to provide these special forms of assistance.

1. **Project Pre-development:** The City of Montebello ***may*** set-aside a portion of CHDO set-aside funds to be provided to the CHDO for project-specific pre-development assistance (see Part II: Program and Design).

a. The project specific pre-development assistance is intended to assure that CHDOs have access to funds for up-front, eligible project expenditures. This assistance provides a form of project feasibility "line of credit" that many nonprofit developers need, but often have difficulty obtaining from private sources.

b. All costs must be related to a specific project which, if deemed feasible, would receive HOME funds for development.

c. Project pre-development costs may not exceed customary and reasonable project preparation costs.

2. **Types of pre-development assistance:** The two primary types of project pre-development assistance are:
    1. Technical assistance and site control loans, and
    2. Seed money loans.

PART 2: PROGRAM DESIGN AND IMPLEMENTATION

This section discusses the City's CHDO program design and implementation procedures.

PROCEDURES (General)

1. City of Montebello CHDO applicants must request a specific amount in the Project Application.

2. All pre-development loans must be repaid or rolled over into the permanent subsidy at on construction close.

Operating Assistance

3. The City of Montebello permits CHDO proceeds and pre-development loans but does not provide CHDO operating expenses.

4. Applicants requesting pre-development loans must complete both the CHDO Pre-Application and the Project Application as defined below before a loan can be considered or authorized.

Eligibility Determination

1. Once the CHDO candidates are identified, the City of Montebello will determine whether organizations meet the CHDO qualifications outlined in the HOME regulations.

    a. Eligible Applicant

    The only eligible applicant for the city's HOME CHDO Program is a Community Housing Development Organization ("CHDO") as defined by the HOME Investment Partnerships Act and the regulations adopted by the US Department of Housing and Urban Development (HUD") is a private

nonprofit, community-based organization that meets the definition at 24 CFR 92.2. The governing law and regulations may be found at 24 CFR 92.2 and 92.300-303, and in CPD Notice 97-11, CPD Notice 97-09, and HUD CPD Notice 96-09.

To assist the City of Montebello in determining the qualifications and capacity of a CHDO organization the City designed a CHDO Determination Worksheet (see Exhibit 3). The worksheet is designed to assist the City in processing a CHDO application in the minimum time necessary. Each section is a table which can be filled out and the table will adjust to the length of the CHDO's response.

CHDO Capability

1. Once an organization has been determined eligible as a CHDO, the City of Montebello will establish whether the CHDO is actually capable of carrying out the responsibilities of a CHDO by assessing the CHDOs capacity. Determining the CHDOs capacity assists the City to determine which organization(s) are qualified and capable of carrying out CHDO-eligible activities, and which ones need to make changes or build capacity to quality.

Types of Projects

1. The City permits CHDOs to bring any type of project which is an eligible CHDO activity as follows:

    a. Acquisition and/or rehabilitation of rental housing;
    b. New construction of rental housing;
    c. Acquisition and rehabilitation of homebuyer properties for resale to eligible, qualified buyers;
    d. New construction of homebuyer properties for sale to eligible, qualified buyers; and
    e. Direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO with HOME funds.

2. The City permits CHDO proceeds and pre-development loans, but does not provide CHDO operation expenses. Applicants requesting a pre-development loan must complete both the CHDO Pre-Application and the Project Application as defined below before a loan can be considered or authorized.

Application Period

1. The City of Montebello welcomes applicants for CHDO status at any time during the calendar year.

Pre-Application for CHDO Status

1. The City of Montebello pre-application process procedures require the applicant to meet ALL of the requirements of being a CHDO as defined by the "CHDO Determination Worksheet" provided by the City.

2. All documentation necessary for meeting the requirements contained in the CHDO Determination Worksheet must accompany the pre-application form. The documents necessary for determination include:

    a. The CHDO Determination Worksheet;
    b. A copy of the Articles of Incorporation;
    c. A copy of the By-Laws;
    d. A copy of the Conflict of Interest Policy;
    e. Any applicable signed Board Minutes or resolutions required by the CHDO Determination Worksheet;
    f. A Board Form for each Board member, signed and dated by the Board member
    g. A current financial statement and the most recent annual audit; and
    h. A statement of the applicant's capacity to undertake a project of the scope and size proposed;
    i. Including staff resumes

3. The City will review the application for compliance, completeness, and capacity.

4. The Pre-Application Process results in Pre-Qualification letter from the City HOME Program Administrator to the CHDO advising the CHDO to submit a qualifying CHDO project within 180 days of the date of the Pre-Qualification letter.

5. The City certifies CHDO's only at the point where the CHDO has an approved City CHDO project.

6. Completion of the pre-application process for CHDO status does not guarantee funding by the City.

7. In the event any of the items contained in the CHDO Determination Worksheet change between the time of the Pre-Qualification letter and the submission of a CHDO project, the CHDO must notify the City in writing of the change (at the time of project application) and provide the documentation necessary to assess whether or not the CHDO remains compliant with the CHDO requirements.

8. Changes in the Board of Directors require the CHDO submit the Board Form for any new Board member and identify any Board members who have left the CHDO at the time of project application and again at the HOME closing.

RECAPTURED AND RESALE FUNDS

As discussed in the City's Annual Action Plan, the following requirements relate to *CHDOs only. This is not required for rental or homebuyer programs.*

RECAPTURED FUNDS (24 CFR 92.254(a)(5)(ii)(A)(4))

Recapture is defined as the recovery of HOME funds upon the sale or transfer, rental or lease, refinancing, or the Borrower(s) no longer being a physical occupant of the property.

GENERAL PROVISIONS

a. Any amount repaid as a result of a homebuyer property being sold within the affordability period.

b. The recaptured provisions must be stated in written agreements between Recipients and the income of any eligible homebuyers.

c. Recaptured funds are a return of the original HOME investment and are technically not program income.

d. Therefore, unlike program income, 10 percent of recaptured funds **cannot** be used for planning and administrative costs and must be returned to the City.

PROCEDURE

a. The City of Montebello will impose HOME recapture provisions on any property sold by a Community Housing Development Organization (CHDO) to a homebuyer when the City provides a direct subsidy for down payment and or closing costs to the homebuyer.

b. The balance of the loan shall be due and payable upon sale or transfer, rental or lease, refinancing, or the Borrower(s) no longer being a physical occupant of the property.

c. This recapture provision shall remain in force from the date the legal documents are executed at loan closing until the expiration of the affordability period.

d. Net Proceeds from Sale for the purpose of Recapture are defined as follows:

i. Sales Price
ii. Less Seller's Closing Costs
iii. Less First Mortgage Balance
iv. Less documented Capital Improvements in excess of $500
v. Less Down payment and closing costs paid from the Homebuyer's cash at purchase
vi. Equals Net Proceeds from Sale

e. The City shall recapture from the net proceeds from sale, the remaining Development, and/or Homebuyer direct subsidy and return the recaptured funds to the HOME Investment Trust.

f. Funds remaining after Recapture shall accrue to the Homebuyer.

g. If there are no Net Proceeds from Sale, then the City shall forgive the remaining balance of the loan.

RESALE PROVISIONS [24 CFR 92.254(a)(5)(ii)(5)]

PROCEDURE

a. The City of Montebello will impose HOME resale provisions on any property sold by a Community Housing Development Organization (CHDO) or any other entity receiving a HOME development subsidy from the City, to a homebuyer when the City does not provide a direct subsidy for down payment and or closing costs to the homebuyer.

b. Resale is defined as the recovery of HOME funds upon the sale or transfer, rental or lease, refinancing, or the homebuyer(s) no longer being a physical occupant(s) of the property:

i) In instances where the home has been rented or leased, refinanced, or the Borrower(s) are no longer are physical occupant(s) of the property the total outstanding balance of the HOME loan shall be immediately due and payable to the City;

ii) In instances where the Homebuyer's home is sold to a qualified low-income buyer at an affordable price, the HOME loan balance shall be transferred to the subsequent qualified buyer and the affordability period shall remain in force;

a. The resale provision shall remain in force from the date the legal documents are executed at loan closing until the expiration of the affordability period defined in the Written Agreement between the City and the homebuyer(s).

b. Resale requires the homeowner to sell the home to a low-income family and at an affordable price as defined below:

i) A low-income family is defined as a family whose income at the time of purchase from the homebuyer is no greater than 80% of the area median income as defined by HUD under the Part V income definition.

(1) The contract for sale of the home must include a provision requiring the family acquiring the home to be qualified by the City prior to acquiring the property.

ii) The affordable sales price of the HOME assisted property shall be determined as follows:

(1) The City shall determine 80% of area median income (AMI) for:

(a) A family of two (2) if the unit is a one (1) bedroom unit
(b) A family of three (3) if the unit is a two (2) bedroom unit
(c) A family of four (4) if the unit is a three (3) bedroom unit
(d) A family of six (6) if the unit is a four (4) bedroom unit

(2) The applicable AMI shall be multiplied by twenty-five percent (25%) to determine the annual housing expense ("HE") and divided by twelve (12) to determine the monthly HE.

(3) The mortgage interest rate shall be the average fixed rate, thirty (30) year mortgage interest rate as published by the Federal Housing Administration (FHA) at the time of determination.

(4) The term shall be thirty (30) years.

(5) The present value of an affordable mortgage shall be calculated utilizing the monthly HE, the determined interest rate, and the term.

(6) The present value shall be divided by 95 and multiplied by 100. The result shall be the affordable sales price.

iii) The homeowner must list the property at or below the City determined affordable price.

1. Fair Return and Appreciated Value [24 CFR 92.254(a)(5)(i)]

a) Determination of Fair Return

i) Fair Return shall be the sum of:

(1) Down payment and closing costs paid from the buyer's cash at purchase.
(2) Seller's (homeowner's) closing costs at sale.
(3) Principal payments only made by the buyer in excess of the amount required by the loan.
(4) Documented capital improvements in excess of $500.

b) Fair Return is paid to the buyer at sale once first mortgage debt is paid and all other conditions of this agreement are met.

i) In the event there are no funds for fair return, then fair return does not exist.
ii) In the event there are partial funds for fair return, then fair return shall remain in force.

c) Appreciated value is:

i) The Affordable Sales Price
ii) Less first mortgage debt
iii) Less Fair Return
iv) Equals appreciated value.

(1) If appreciated value is zero, or less than zero, then no appreciated value exists.

d) Appreciated Value is shared with the homebuyer based on the City's initial investment of HOME funds as follows:

i) The homeowner's initial investment of down payment and closing costs divided by the City of HOME investment equals the percentage of appreciated value that shall be paid to the homeowner.
ii) The balance of appreciated value shall be paid to the City.

CHDO Determination Worksheet

The CHDO Determination Worksheet is designed to assist the City in processing your CHDO application in the minimum time necessary. Each section is a table which can be filled out and will adjust to the length of the CHDOS response. Please remember to save this document as (Acronym of the CHDO) CHDO Application.

EXHIBIT 3 **CHDO DETERMINATION WORKSHEET** **APPLICANT INFORMATION**					
Applicant Name					
Applicant Address					
City		State		Zip	
Contact Person			Office Phone		
Cell Phone			E-mail		

BOARD OF DIRECTORS LIST

CHAIR	Name		
Home Address			
City/State		Zip	
Telephone		E-mail	
PRESIDENT	Name		
Home Address			
City/State		Zip	
Telephone		E-mail	
VICE-PRESIDENT	Name		
Home Address			
City/State		Zip	
Telephone		E-mail	
TREASURER	Name		
Home Address			
City/State		Zip	
Telephone		E-mail	
SECRETARY	Name		
Home Address			
City/State		Zip	
Telephone		E-mail	
BOARD MEMBER	Name		
Home Address			
City/State		Zip	
Telephone		E-mail	
BOARD MEMBER	Name		

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Telephone		E-mail	
BOARD MEMBER	Name		
Home Address			
City/State		Zip	
Telephone		E-mail	
BOARD MEMBER	Name		
Home Address			
City/State		Zip	
Telephone		E-mail	

CHDO Checklist

The information contained in the CHDO Checklist refers to the definition of Community Housing Development Organizations (CHDOs) in Subpart A, 92.2 of the HOME Rule.

9. The City of Montebello requires the CHDO to fill the Checklist out completely stating where the response to each requirement may be found in the accompanying documentation.

I. LEGAL STATUS	
A. The nonprofit organization is organized under State or local laws, as evidenced by either Charter (Articles of Incorporation) or By-Laws	

B. No part of its net earnings inures to the benefit of any member, founder, contributor, or individual, as evidenced by:	
C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3) or (4) of the Internal Revenue Code of 1986, as evidenced by a 501(c)(3) or (4) Certificate from the IRS. OR Is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue code, as evidenced by a group exemption letter from the IRS that includes the CHDO.	
D. Has among its purposes the provision of decent housing that is affordable to low- and moderate-income people, as evidenced by an organization statement:	
II. CAPACITY	
A. Conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems", as evidenced by a notarized statement by either the president or chief financial officer of the organization; OR a certification from a Certified Public Accountant, OR a HUD approved audit summary.	
B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by either resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, OR contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.	
C. Has a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by either a statement that documents at least one year of experience in serving the community, OR for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community. The CHDO or its parent organization must be able to show one year of serving the community prior to the date the participating jurisdiction provides HOME funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing stock	

and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other official of the organization.	
D. A defined service area which includes or overlaps the City of Montebello as evidenced by: A resolution of the Board of Directors; the Charter, or the By-Laws	
E. A current financial statement of the CHDO	
III. ORGANIZATIONAL STRUCTURE	
A. Maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations as evidenced by the Organization's By-Laws, Charter, OR Articles of Incorporation.	
B. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects, as evidenced by: the organization's By-laws, a resolution of the Board of Directors, OR a written statement of operating procedures approved by the governing body.	
C. A CHDO may be chartered by a State or local government, but the following restrictions apply: (1) the State or local government may not appoint more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials (including any employees of the PJ), as evidenced by the organization's: By-laws, Charter, OR Articles of Incorporation.	
LOCAL REQUIREMENT: A Board Information Form must be submitted for each Board member	
D. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the CHDO's: By-laws, Charter, OR Articles of Incorporation.	

IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES		
A. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by the organization's By-laws, OR a Memorandum of Understanding (MOU).		
B. A Community Housing Development Organization may be sponsored or created by a for-profit entity, however: (1) the for-profit entity's primary purpose does not include the development or management of housing, as evidenced in the for-profit organization's By-laws		
(2) the CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced in the CHDO's By-laws, Charter, OR Articles of Incorporation		
V. OTHER FEDERAL REQUIREMENTS		
(1) Has a conflict of interest policy for Board of Directors and Staff that meets the requirements of 24 CFR Part 92.356 of the HOME Regulations		

Project Application

10. Once the City has provided the CHDO with a Pre-Qualification letter, the CHDO applicant ***must*** submit a viable, compliant CHDO project to the City within ***180 days***.

Projects

The following describes the required submissions for various types' projects allowed by the City:

Single Family

Single Family program applicants are required to submit a complete program description that Defines:

1. The buyer(s) to be served;

    a. By family size and household income

2. The type of program activity:

    b. Acquisition/Rehabilitation/Sale
    c. New Construction
    d. Other

3. The project timeframe and timeline

4. The total project costs

    a. Including all Sources and Uses

5. The total subsidy per buyer

    a. The City does not offer a separate down payment and closing costs assistance program. The applicant must define what portion of the funds requested will be a development subsidy and what portion of the subsidy will be down payment and closing cost assistance to the buyer.

Multifamily

Multifamily program applicants are required to submit a site-specific project, including:

1. A development and operating pro forma.

2. The type of program activity:

    a. Acquisition/Operation
    b. Acquisition/Rehabilitation/Operation
    c. New Construction
    d. Special Needs

3. The project timeframe and timeline.

4. The total project cost:

    a. Including all Sources and Uses for the development.
    b. The total HOME subsidy requested.

5. An operating pro forma showing all income and expenses for the entire HOME required compliance period:

    a. Rents must be compliant with the HUD allowable rents for the Los Angeles MSA.
    b. Escalation rates must be 5 percent for expenses and 3 percent for income.
    c. The project must have a positive cash flow for the entire HOME compliance period.

CHDO Proceeds

CHDO Proceeds result from the sale of a single family or multifamily property financed by the City through the HOME program. Proceeds include both HOME funds and any other funds from any source which are realized by the sale of property assisted in any form or fashion with HOME funds.

1. In single family sales, the total HOME funds provided by the City to the CHDO for any specific project under the HOME contract, less the actual expenses for the project, the buyer's down payment, the buyer's contribution, and any non-HOME or non-CDBG mortgages are defined as CHDO Proceeds, or Proceeds.

2. In multifamily sales, the total HOME funds provided by the City to the CHDO for any specific project under the HOME contract, less the actual expenses of the project, the buyer's down payment, the buyer's contribution, and any non-HOME or non-CDBG mortgages are defined as CHDO Proceeds, or Proceeds.

3. Allowable Uses of CHDO Proceeds:

   An eligible activity defined by either the HOME program regulations or this agreement that directly supports the creation of affordable housing in our community shall be collectively known as an "allowable use." Allowable uses are further defined and limited by this agreement as follows:

   a. Any eligible use of HOME funds, as defined in 24 CFR Parts 91 and 92 of the Final HOME Rule shall be an allowable use under this contract, so long as the allowable use results in or supports the creation of new units of affordable single-family housing for purchase by HOME qualified buyers or for rent by HOME qualified tenants

4. Prohibited Uses

   a. Proceeds may not be used to fund, finance or pay for a loan counseling, debt counseling or homebuyer counseling programs or efforts as long as the City provides funding to any other organization or entity to provide these services.
   b. Proceeds may not be used to fund any operating reserves of the CHDO.
   c. Proceeds may not be utilized to make repairs, reconstruct, or rebuild any unit previously financed with HOME funds without the express written permission of the City.

5. Governing Law and Regulation

a. Final HOME Rule: 24 CFR Parts 91 and 92;
b. CPD Notice 97-9; and
c. The City's Contract with the CHDO

6. Accounting for Proceeds

a. The CHDO shall retain proceeds in a separate bank account and shall provide an accounting of the use of proceeds to the City on a quarterly basis.
b. The accounting shall designate the project and show the flow of funds into and out of the project account until all funds in the account are expended in accordance with the CHDO Contract and the CHDO Proceeds Addendum
c. To facilitate proper accounting for the proceeds, the CHDO shall utilize the spreadsheet designated by the City and included here by reference.
d. The auditor of the CHDO shall, at each annual audit, review the CHDO proceeds account of the CHDO and shall include in the annual audit specific language stating whether or not the CHDO has complied with the terms of the CHDO Proceeds Addendum to the Contract between the City and the CHDO.

7. Allocation and Use of Proceeds

a. Under the CHDO's contract with the City, the City provides the CHDO with a development subsidy to assist in the development of either multifamily or single-family housing within the City;
b. The development subsidy is expended by the CHDO;
c. Proceeds are realized upon the sale of the completed property to a qualified buyer as defined by the City's contract with the CHDO.
d. Proceeds are realized on the date of the close of the property to the end owner.
e. At the close of each project which yields proceeds to the CHDO, the CHDO shall allocate proceeds as follows:

i. If proceeds are less than $5,000, then all proceeds from the associated property account shall be allocated by the CHDO to the general administration (salaries, benefits and/or administrative costs) of the CHDO for the support of the development of affordable housing.

ii. If proceeds are more than $5,000, then:
    1. Ten percent (10 percent) of proceeds shall be immediately allocated to the general administration (salaries, benefits and/or administrative costs) of the CHDO for the support of the development of affordable housing;

2. Ninety percent (90 percent) of proceeds shall be allocated to land acquisition, site development, and/or construction financing.
3. Each subsequent return of proceeds shall follow the same methodology until the proceeds are less than $5,000, at which time the proceeds account for the project shall be closed.

iii. To facilitate the quick rollover and expenditure of proceeds, the CHDO will invest proceeds in the next available project as soon as the proceeds are realized, and before a request for additional funds for development activity from the City.

8. Draw Requests

   a. Requests to the City for disbursement of funds for land acquisition, site development and/or construction financing on any subsequent project under this contract, shall include the following:

      i. The full amount of the requested disbursement;
      ii. The amount drawn from proceeds
      iii. Including the project name or names, the amount is drawn from.
      iv. The net amount of the requested disbursement.

9. CHDO proceeds must be specifically requested in the CHDO's Project Application.

10. The City of Montebello **will not** assign staff to a CHDO on either a full or a part-time basis in order to fulfill the CHDOs capacity requirement.

11. Allow CHDOs pay the City of Montebello for any technical assistance and/or training that the City provides.

CHDO Certification

CHDO Certification/Recertification Requirements:

Certified CHDOs or organizations that wish to be certified as a City of Montebello CHDO ***must*** use the City's application to apply for certification. Certified CHDOs must be **re-certified** on an annual basis, providing all documentation required for initial certification is up to date and accurate. Agencies meeting the CHDO certification requirements as indicated in the CHDO section of these operating procedures will be recommended by the City of Montebello staff for certification.

A City of Montebello CHDO seeking recertification or an agency seeking certification as a City of Montebello CHDO must ***currently*** demonstrate ***capacity*** to carry out HOME assisted activities either with:

a. Experienced staff who have successfully completed similar projects, that draws a distinction between development, management of rental housing and development, sale of housing for first-time homebuyers,

OR

b. Key staff with limited or no experience who will utilize experienced consultants (if consultants are in charge of development, there must be a written plan submitted yearly to the City of Montebello indicating how the consultant will train key staff during that funded year).

Monitoring

The City of Montebello will monitor the performance of the CHDO to assist the City to identify:

- Strengths and weaknesses in CHDO operations and the support systems necessary for CHDOs to operate and for the HOME program to succeed.
- Identifying what needs to be changed, and for securing the appropriate technical assistance and training needed to do so.
- Determining the level, type, and areas of need will vary from CHDO to CHDO, and, within CHDOs, from year to year.

Monitoring CHDO performance will include a review of the following factors:

1. Compliance with HOME requirements;
2. A risk assessment of the CHDO;
3. Completion of funded projects;
4. Timeliness and ability to complete projects within established budget parameters;
5. Human resources;
6. Adequate financial resources;
7. Ability to leverage other resources;
8. Adequate financial systems;
9. Board operations;
10. Strategic plans;
11. Organizational work plans;
12. Record-keeping;
13. Compliance with HOME targeting requirements; and
14. Board composition and operations.

PROCEDURE:

1. The City will issue a letter ninety (90) days in advance of monitoring specifying a set of files, policies, procedures, and accounts the City will require the CHDO deliver to the City on a date certain;

    a. Each year, within 120 days of the close of the CHDO's fiscal year, the CHDO shall deliver an audit by a certified public accountant to the City;

        i. The audit shall contain the CHDO Proceeds provision noted under accounting, if applicable;

2. After the CHDO has submitted the required documents the City will conduct a desk review to insure compliance with the HOME and local requirements;

3. Upon completion of the desk review the City will establish a mutually acceptable date for the on-site monitoring;

4. The City will specify, at its' sole discretion, the items the City will review on-site.

5. The City will conduct on the on-site monitoring.

6. Within thirty (30) days of the on-site monitoring, the City will issue a Monitoring Report delineating any deficiencies found;

7. The CHDO shall have thirty (30) days to address or correct those deficiencies identified in the monitoring report.

Default

Any of the following conditions shall result in default by the CHDO:

1. Failure by the CHDO to deliver the audit within the prescribed period;

2. Failure by the CHDO to submit the required quarterly reports;

3. Failure by the CHDO to segregate the CHDO Proceeds in a separate account, or to properly account for the Proceeds to the standard provided by this agreement (if applicable);

4. Failure by the CHDO to meet the development or program benchmarks contained in the City's Contract with the CHDO.

5. Any action of the staff or Board of Directors which violates the laws and regulations of the United States; the laws and regulations of the State of California; and/or the laws and regulations of the City.

NOTE: If the CHDO defaults as defined herein, the City, may, at the City's sole discretion, end or suspend the Contract between the City and the CHDO.

CHAPTER 4: HOMEOWNER REHABILITATION ACTIVITIES

This chapter describes how HOME funds may be used to assist owners in the rehabilitation of owner-occupied housing. Eligible activities, forms of assistance and property types are covered in this chapter.

This chapter is divided into two parts: General HOME Program requirements, and the City of Montebello program design and implementation procedures focusing on how to determine 95 percent of median value, as well as subsidy type, and selection.

PART 1: HOME PROGRAM REQUIREMENTS (GENERAL)

General HOME Program requirements include: eligible Homeowner Rehabilitation Activities, applicant eligibility requirements, forms of financial assistance, and property standards and value. A summary of the key homeowner rehabilitation rules and how to document compliance with these rules is provided as Exhibit 4.

Eligible Activities

HOME funds may be used to assist existing homeowners with the repair, rehabilitation, or reconstruction of owner-occupied units.

Whenever HOME funds are used for rehabilitation, the work must be performed according to the City's written rehabilitation standards and the unit(s) must be brought up to the applicable state or local code. If a state or local code does not exist, the unit may be brought up to the standards of the national model codes.

This means that the City may ***not*** undertake some forms of special purpose homeowner repair programs, such as:

1. Weatherization programs;
2. Emergency repair programs; or
3. Handicapped accessibility programs.

However, these types of programs may be undertaken, if the property meets or will be brought up to the applicable HOME property standards.

1. The City's HOME funds will be used to assist existing homeowners with the repair, rehabilitation, or reconstruction of owner-occupied units.
2. HOME funds that are used for rehabilitation must be performed according to the City's written rehabilitation standards and the unit must be brought up to the applicable state or local code.

Forms of Finance Assistance

The City of Montebello may structure HOME assistance for owner-occupied rehabilitation using any of the following forms of assistance:

1. Grants;
2. Deferred-payment loans;
3. Non-interest-bearing loans; and
4. Interest-bearing loans.

There are several other less common forms of financial assistance that may be used in homeowner rehabilitation programs. These forms include interest subsidies and loan guarantees. Both methods enable the City to use small amounts of HOME funds to leverage private money for rehabilitation. They include:

5. Interest subsidies: Interest subsidies, also referred to as interest reduction grants or interest rate buydowns, are similar to principal reduction grants or loans except that the HOME funds are used to "buy down" the interest rate to an affordable level. In this case, the HOME subsidy is paid directly to the lender and not provided to the homeowner.
6. Loan guarantees: Loan guarantees are another way to leverage HOME funds for homeowner rehabilitation. A loan guarantee could be used as a credit enhancement when a borrower otherwise eligible for a private loan is denied because of a real or perceived risk factor. In these cases, the City could provide a loan guarantee that would ensure payment, thus making an otherwise risky loan acceptable to a private lender.

Subsidy Limits

1. **Minimum HOME investment**: The minimum amount of HOME funds is an average of $1,000, multiplied by the number of HOME-assisted units in the project.

    a. The minimum ***only*** relates to the HOME funds, and ***not*** to any other funds that might be used for project costs.

2. **Maximum HOME investment**: The standard maximum loan amount is $50,000.

    The Loan Committee has the authority to approve projects that exceed the standard maximum loan amount, when the standard maximum loan limit is not sufficient to bring the unit into code compliance and/or a health and safety standard conditions. These special approvals are to be recommended on an "as needed" basis, and are subject to the maximum subsidy limits for the HOME Program.

    Costs in excess of the Program amounts may be supplemented with personal funds.

In all instances, the loan amount must be in accordance with the loan-to-value ratios

3. The maximum per-unit HOME subsidy limit varies by PJ. HUD determines the maximum amounts, which are based on the City's Section 221(d)(3) program limits for the metropolitan area, each year. An economist in a local HUD field office can provide these limits.

   The maximum per-unit subsidy limit is $50,000. This amount is the standard maximum loan amount.

Eligible Costs

Under HOME, both the actual cost of rehabilitating the housing and related soft costs are eligible. Exhibit 4 lays out the specific eligible HOME costs under a homeowner rehabilitation program.

EXHIBIT 4
HOME-ELIGIBLE HOMEOWNER REHABILITATION COSTS

HARD COSTS

- Meeting the rehabilitation standards
- Meeting applicable codes, standards and ordinances
- Essential improvements
- Energy-related improvements
- Lead-based paint hazard reduction*
- Accessibility for disabled persons
- Repair or replacement of major housing systems
- Incipient repairs and general property improvements of a non-luxury nature
- Site improvements and utility connections

**Note: Lead hazard reduction costs are not counted as hard costs for the purposes of determining the level of assistance under 24 CFR Part 35 (the Lead Safe Housing Rule).*

SOFT COSTS

- Financing fees
- Credit reports
- Title binders and insurance
- Recordation fees, transaction taxes
- Legal and accounting fees
- Appraisals
- Architectural/engineering fees, including specifications and job progress inspections
- Project costs incurred by the PJ that are directly related to a specific project
- Refinancing of secured existing debt if the housing is owner-occupied and refinancing allows the overall costs of borrower to be reduced and the housing is made more affordable

The Property

Eligible Property Types

1. To be eligible for HOME assistance, a property must be:
    a. Occupied by an income-eligible homeowner; and
    b. The owner's principal residence.

2. The following property types may be included under the program:
    a. Traditional single-family housing that is owned fee simple (current policy allows only one dwelling unit);
    b. A townhouse unit;
    c. A condominium unit;
    d. A cooperative unit or unit in a mutual housing project (if state law recognizes these as forms of homeownership); or
    e. A manufactured home, including mobile home (program currently inactive).

3. If HOME funds are used to assist the rental units in a two- to-four-unit residence, the HOME rental requirements apply--including provisions regarding tenant occupancy, initial rent levels, and long-term affordability.

4. If HOME funds are used to rehabilitate only the owner-occupied unit in a two-to-four-unit residence, the rental housing rules do not apply.

Maximum Property Value

To use HOME funds, the value of the HOME assisted property ***after rehabilitation*** must not exceed 95 percent of the median purchase price for the area, as published by HUD, or, in accordance with the Final Rule, as determined locally through market analysis.

1. **Determining after-rehabilitation value**: To establish project eligibility, after-rehabilitation value must be established prior to any work being performed. The after-rehabilitation value may be established by one or more of the following methods:

    a. Estimates of value: Estimates of value by the City or subrecipient may be used. Project files must contain the estimate of value and document the basis for the value estimates.

    b. Appraisals: Appraisals, whether prepared by a licensed fee appraiser or by a staff appraiser of the City, may be used. Project files must document the appraised value and the appraisal approach used.

2. Tax assessments: Tax assessments for a comparable property located in the same neighborhood may be used to establish the after-rehabilitation value ***if*** the assessment is current and accurately reflects market value ***after*** rehabilitation.

Determining the 95 Percent of Median Purchase Price Limit

The Final Rule offers the City two options for determining the 95 percent of median purchase price limit for owner-occupied single-family housing.

The City may either perform a:

1. A local market survey, or

2. Use the figures published by FHA for its 203(b) program. (The national cap established by the 203(b) program does not apply.)

Property Standards

As with all HOME-assisted properties, properties that are rehabilitated with HOME funds must meet certain standards.

The City is required to have written rehabilitation standards describing the methods and materials to be used when performing rehabilitation. All HOME-assisted rehabilitation projects must meet the City's written rehabilitation standards.

The Applicant/Beneficiary

Principal residence

Loan documents or other forms of written agreement between the purchaser and the City must incorporate this requirement. This includes:

1. Owning or having a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
2. Maintaining an equivalent form of ownership approved by HUD.
3. Life estates and land contracts/contracts for deeds are not approved by HUD as eligible forms of ownership.

Other Federal Requirements

Exhibit 5 identifies the other federal requirements that must be followed when HOME is used for rehabilitation of homeowner properties, while Exhibit 6 identifies rules on how to documents a homeowner rehabilitation program. These exhibits are meant to serve as checklists only.

EXHIBIT 5
OTHER FEDERAL REQUIREMENTS

Other Federal Requirements	Apply to Homeowner Rehabilitation?	Special/Issues/ Considerations	Regulatory Citations and References
Non-Discrimination and Equal Access Rules			
Fair Housing and Equal Opportunity	Yes. Must affirmatively further Fair Housing.		➢ 92.202 and 92.250 ➢ Title VI of Civil Rights Act of 1964 (42 U.S.C. 2000d et. seq.) ➢ Fair Housing Act (42 U.S.C. 3601-3620) ➢ Executive Order 11063 (amended by Executive Order 12259) ➢ Age Discrimination Act of 1975, as amended (42 U.S.C. 6101) ➢ 24 CFR 5.105(a)
Affirmative Marketing	No		➢ 92.251
Handicapped Accessibility	No. (Note: Accessibility improvements are eligible costs.)		➢ Section 504 of the Rehabilitation Act of 1973 (implemented at 24 CFR Part 8) ➢ For multi-family buildings only, 24 CFR 100.205 (implements the Fair Housing Act)
Employment and Contracting Rules			
Equal Opportunity Employment	Yes	Small projects offer opportunities for minority and resident-contractors.	➢ Executive Order 11246 (implemented at 41 CFR Part 60)
Section 3 Economic Opportunity	Yes, if amount of assistance exceeds $200,000 OR contract or subcontract exceeds $100,000.	Include Section 3 clause in contracts and subcontracts.	➢ Section 3 of the Housing and Urban Development Act of 1968 (implemented at 24 CFR Part 135)
Minority/Women Employment	Yes	Must develop procedures and	➢ Executive Orders 11625, 12432 and 12138 ➢ 24 CFR 85.36(e)

		include in contracts and subcontracts.	
Davis-Bacon	No		➢ 92.354 ➢ Davis-Bacon Act (40 U.S.C. 276 276a-5) ➢ 24 CFR Part 70 (volunteers) ➢ Copeland Anti-Kickback Act (40 U.S.C. 276c)
Conflict of Interest	Yes		➢ 92.356 ➢ 24 CFR 85.36 ➢ 24 CFR 84.42
Debarred Contractors	Yes	Check HUD's list of debarred contractors.	➢ 24 CFR Part 5
Other Federal Requirements			
Environmental Reviews	Yes	➢ Neighborhood reviews may facilitate targeted programs, but individual checklist still required for each project site ➢ Special attention should be paid to flood insurance and historic requirements.	➢ 92.352 ➢ 24 CFR Part 58.35 a(4) ➢ National Environmental Policy Act (NEPA) of 1969
Flood Insurance	Yes for PJs that are cities/counties. No for state programs.	Must obtain flood insurance if located in a FEMA designated 100-year flood plain. Community must be participating in FEMA's flood insurance program.	➢ Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106)
Site and Neighborhood Standards	No.	24 CFR 893.6(b)	➢ Site and Neighborhood Standards
Lead-Based Paint	Yes for pre-1978 units.	Notices to owners. ➢ Paint testing of surfaces to be disturbed.	➢ 92.355 ➢ Lead Based Paint Poisoning Prevention Act of 1971 (42 U.S.C. 4821 et.seq.) ➢ 24 CFR Part 35

		➢ Risk assessment, if applicable, based on level of rehabilitation assistance. ➢ Safe work practices and clearance. ➢ Provisions included in all contracts and subcontracts.	➢ 982.401 (j) [except paragraph 982.401 (j)(1)(i)]
Relocation	Yes	Relocation **is** required if tenants are living in the other units. Relocation **is not** required for owner-occupied units.	➢ 92.353 ➢ Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) ➢ 49 CFR Part 24 ➢ 24 CFR Part 42 (subpart B) ➢ Section 104(d) "Barney Frank Amendments"

EXHIBIT 6
SUMMARY OF HOMEOWNER REHABILITATION RULES AND HOW TO DOCUMENT

	Key HOME Requirement	Documentation
Eligible Participants		
Owner Income	➢ Gross income <80 percent of median income based on the upcoming 12 months. ➢ Income is defined by one of three options: Section 8 annual income; annual income under Census long form; or adjusted gross income under IRS Form 1040.	➢ Completed application in the project file. ➢ Source documentation (wage statements, interest statements) in the project file.
Owner Occupancy	➢ Applicant must occupy unit as his/her principal residence.	➢ Client must sign a clause on the application form certifying that the property is the principal residence.
Ownership of	➢ Applicant must have ownership of the property through: ▪ free simple title,	➢ Title check documentation in project file. ➢ Copy of deed or other ownership document in the project file.

	▪ 99-year leasehold interest (50 years on trust or restricted Indian lands), or ▪ ownership/membership in a cooperative or mutual housing project.	
Homeowner's Insurance Endorsement	➢ Applicant must have evidence of homeowner's insurance	➢ Homeowner's Insurance Endorsement
Eligible Property		
Property Type	➢ Eligible property types include: ▪ one-to-four-unit property; ▪ condominium unit; ▪ cooperative or mutual housing unit, if recognized by state law; or ▪ manufactured or mobile home.	➢ If two-to-four units, indicate status of non-owner-occupied units in the application. ➢ If non-owner units were assisted with HOME funds, provide agreement with homeowner regarding rental requirements and reference to the property's rental monitoring file.
Property Location	➢ Property must be located within geographic area of the PJ.	➢ Application should include address in PJ's geographic area.
HOME Minimum	➢ A minimum of $1,000 in HOME funds must be invested in each assisted unit. ➢ The maximum per-unit subsidy limit is determined by HUD.	➢ Maintain records in project file demonstrating that the per-unit HOME investment exceeded $1,000. ➢ Maintain records in the project file indicated total HOME subsidy did not exceed maximums provided by HUD.
Property Value	➢ After-rehabilitation value must not exceed 95 percent of the area median purchase price. ➢ Use 203(b) limits; OR ➢ Establish local limits and obtain HUD approval	➢ If using local value limits, document data used to determine limits as well as evidence of HUD approval in the program file. ➢ Document method for determining value in the project file. ➢ Copy of value estimate held in project file.
Property Standards	➢ Property must meet PJ's written rehabilitation standards. ➢ Property must meet applicable codes (state or local	➢ Document local code or model code used in program files ➢ Maintain written rehabilitation standards in program files.

	codes/standards or one of three nationally accepted codes/standards).	➢ Include inspection report or certification by inspector in project file. ➢ Keep inspection checklist and work write-up in project file.
Eligible Activities	➢ Rehabilitation, reconstruction.	➢ Document all expenditures.

PART 2: PROGRAM DESIGN AND IMPLEMENTATION

Objectives

The City of Montebello receives an annual allocation of HOME funds from the U.S. Department of Housing and Urban Development (HUD). HOME funds are designed to provide or preserve affordable housing for families at or below eighty (80 percent) percent of the Area Median Income ("AMI"). The City is included in the Los Angeles Metropolitan Statistical Area ("LA MSA").

Under the HOME Program, the City of Montebello has elected to design and implement a homeowner rehabilitation program referred to as the HOME HOMEOWNER REHABILITATION ACTIVITIES. This program is designed to meet the following objectives:

1. Implement a City-wide program designed to serve very-low and low-income households,
2. Provide a valuable service to qualified homeowners and residents,
3. Preserve existing single-family homes, either detached, or attached, within the City limits.

GOALS

The City's Homeowner Rehabilitation Activities goals include:

1. Utilizing project selection criteria to establish criteria for determining which projects are chosen (i.e., the level of needed repair or ability of the owner to leverage other funds).

2. Assertively marketing the Homeowner Rehabilitation Activities to ensure the program information is widely and fairly distributed.

ADMINISTRATIVE PLAN

Under the supervision of the Planning and Community Development Director, the City's Senior Management Analyst and HOME program Consultant will implement the Homeowner Rehabilitation Activities tasks including:

1. Implementing the methods and criteria for selecting applicants;

2. Administrating and tracking the waiting list (how it will be administered);
3. Utilizing and updating the appropriate forms for assistance and criteria in determining

Housing Rehabilitation and Preservation Program (HRPP) Description

1. The HRPP provides up to $50,000 for the rehabilitation of owner-occupied single-family homes or condominiums to the City's residential code ("Code") and the City's Rehabilitation Standards ("Standards"). Rehabilitation to Code and Standards are required.

2. Rehabilitation of a condominium unit for an owner(s) is limited to the unit itself, and may not include common areas, or areas that are the responsibly of the Homeowners' Association ("HOA");

3. Should areas which are common areas or areas that are the responsibility of the HOA not meet code, then the condominium unit shall be ineligible for rehabilitation unless the common area or items of HOA responsibility are corrected prior to or during rehabilitation funded by HOME funds;

4. Rehabilitation of a single-family unit is limited to the unit itself and does not include outbuildings. Outbuildings which do not meet code must be rehabilitated by the owner at the owner's expense prior to or during rehabilitation funded by HOME or be demolished by the City;

5. Non-conforming additions or structures must be demolished during rehabilitation with HOME funds. If permitted by local codes, the non-conforming structure or addition may be rebuilt using HOME funds.

Form of Assistance

The City has carefully designed the HRPP to both meet community needs and the program goals.

1. The HRPP provides a three 3 percent accrued interest, no payment loan over a fifteen (15) year period secured by a promissory note and Deed of Trust.

2. If the family lives in the rehabilitated home for a period of fifteen (15) years, the HRPP loan is forgiven.

3. The entire Loan is due and payable to the City if any of the following conditions occur within the fifteen (15) year loan period:

    a. The property is sold;

b. The property is foreclosed on;

c. The property is refinanced;

d. The property is leased;

e. The applicant(s) fail(s) to occupy the property as their primary residence;

f. In the event that one of the Joint Tenants listed in the Deed of Trust dies, ownership as stipulated by California Real Estate Law, transfers to the surviving individual. This procedure is not a transfer of title. Consequently, the remaining joint tenant will assume the Loan pursuant to the original terms of the Loan.

LOAN CONDITIONS

Both the City and the Applicant adhere to certain loan conditions as follows:

The City

1. The City will comply with the Fair Credit Reporting Act that stipulates and guarantees the applicant's privacy and right to have all information regarding the loan transaction kept in a confidential manner;

2. The City shall not discriminate upon the basis of sex, age, race, creed, color, class, national origin, or ancestry in the awarding of financial assistance;

The Applicant(s)

1. The Applicant shall use the financed loan to pay for the cost of rehabilitation as detailed on the work write-up or scope of work submitted by the program inspector;

2. The Applicant shall permit City inspections of the property to be renovated for compliance with all Federal, State, and City building standards;

3. The Applicant shall not award any contract for rehabilitation work to be paid in whole or in part with the proceeds of the loan to any general contractor who, at the time, is not on the City's approved contractors' list;

4. The Applicant shall allow no member of the City who exercises any function of responsibility in connection with the administration of the HOME funds to have any interest, direct or indirect, in the proceeds of the loan, or in any contract entered

into by the applicant for the performance of work financed, in whole or in part, with the proceeds of the loan;

5. The Applicant shall not pay any bonus, commission or fee for the purpose of obtaining approval of the loan application;

6. The Applicant shall occupy and maintain the housing unit for the term of loan;

NOTE: The Applicant shall maintain fire, liability, and hazard insurance coverage on the housing unit in an amount that is at least the value of the after rehabilitation appraised value of the property.

7. The Applicant shall cause the City to be named a co-insured party on the fire, liability, and hazard insurance coverage.

8. The Applicant shall keep property taxes current for the term of the loan;

9. The Applicant shall not discriminate upon the basis of sex, age, race, creed, color, class, national origin, or ancestry in the awarding of the construction contract; and

10. The Applicant shall utilize funds within sixty (60) days of loan closing unless granted a written time extension by the City.

DEFAULT

In the event that the Applicant fails to adhere to the conditions and restrictions contained within the Written Agreement between the Applicant and the City, the City reserves the right to terminate the individual's participation in the HOME Program and/or demand full repayment of the loan.

Eligible Applicant

The HRPP is open to all applicants who meet the eligible household requirements provided above. The City, in recognition of the high proportion of elderly and special needs families that reside in substandard housing within the City, will provide a priority to owner occupants that are elderly and/or disabled.

An Applicant(s) owns and occupies the property where proof of ownership is established through a legal Deed of Trust. Assistance from the City shall be available only to Applicants who:

1. Have the capacity and authority to competently enter into financial and contractual agreements;

2. Whose household income that does not exceed 80% of the area median income adjusted by family size (See Qualifying Households);

3. Whose monthly housing costs are not and will not be more than 30% of income

4. Agree to comply with any and all applicable permits, codes, and/or other City regulations;

5. Agree to sign and abide by the Written Agreement and Promissory Note between the City and the Applicant(s); and

6. Agree to vacate the property during the rehabilitation period at their own expense

NOTE: Elderly is defined as being above 55 years of age. Disabled is defined as having a recognized disability under the Americans Disabilities Act.

Qualifying Households

1. The HRPP is targeted at owner-occupant households who have resided in their home for at least two (2) years, and

2. That are at or below 80 percent of the LA MSA AMI

The income limits for the Loan are:

Family Size	One Person	Two Person	Three Person	Four Person	Five Person	Six Person
Maximum Income to Qualify	$63,100	$72,100	$81,100	$90,100	$97,350	$104,550

NOTE: Income limits are adjusted annually.

1. Owner-Occupants are all persons listed on the deed.

2. A household includes all persons living in the unit at the time of application, except persons who are paid caregivers of elderly or handicapped individuals.

3. All members of the Household must be U.S. Citizens or Resident Aliens.

4. Each member of the household must provide a social security number at the time of application.

Application Intake/Screening/Determination of Household Adjusted Gross Income

The City utilizes the Part V definition of Adjusted Gross Income as defined in the Technical Guide to Determining Income and Allowances for the HOME Program (Third Edition, January 2005).

In calculating adjusted gross income, the applicant's income and that of all other household members at the time of application shall be considered. The income of household members under eighteen (18) years of age will be excluded. The income of any persons who are paid caregivers of elderly or handicapped individuals will be excluded.

A household member is any person residing in the household at the time of application.

Income is defined as follows:

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

2. The net income from an operation of a business or profession, as calculated by averaging the net income as reported in their Federal Income Taxes for the past three years;

3. Interest, dividends, and other net income of any type from the real or personal property (where the family assets are in excess of $50,000, excluding property, adjusted gross income shall include the greater of the actual income derived from all assets or percentage of such assets based on the current passbook savings rate);

4. The full amount of periodic payments received from social security, annuities, insurance policies, retirements funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;

5. Payment in lieu of earnings, such as unemployment, workers' compensation, severance pay, welfare assistance (NOTE: Such payments may be excluded by the lending institutions providing the first mortgage for purposes of underwriting, but shall be included in eligibility determinations for this Program);

6. Periodic and determinable allowances, such as alimony and child support payment, and regular contributions or gifts received from persons not residing in the dwelling to the extent that such payments are reasonably expected to continue;

7. All regular pay, special pay, and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the family, spouse, or other person whose dependents are residing in the unit;

8. Any earned income tax credit to the extent it exceeds income tax liability;

9. Any other income that must be reported for Federal and State income tax purposes; and,

10. Gross Self-Employed income as reported on Schedule C, IRS 1040, will be adjusted to reflect deductions for necessary and reasonable business expense.

Qualifying Properties

In order to qualify for the HRPP, properties must be:

1. Located within the City limits;

2. Be held in fee simple by the applicant(s) as defined herein;
   a. Properties held in a life estate, cooperative units or properties that include residential or commercial rental property are not eligible for the Loan.

3. The property shall be free of negative encumbrances on title.
   a. All trustees must sign all the appropriate documentation required by the City.

4. Property taxes must be current on the property;

5. The property must have a rehabilitation cost that does not exceed seventy-five percent (75%) of the after rehabilitation value of the property as determined by the City;

6. Total debt on the property, including the HRPP Loan, may not exceed 100% of the after rehabilitation appraised value of the property.

Eligible Costs

The HOME Loan funds are available for the cost of improvements that are physically attached and permanent in nature within the following scope of work:

1. Appropriate remediation of Lead Based Paint, as required;

2. The correction of all code violations to the City Code;

3. The correction of any deficiencies to meet the City's Rehabilitation Standard;

4. The correction of incipient code violations;
   a. An incipient code violation is defined as a condition that is likely to occur within the first ten years of the loan term. For example, a fifteen (15) year old roof will need to be replaced in year five (5) of the loan term, and is therefore an incipient code violation.

5. The addition of disability features to a property currently occupied by a disabled person or persons; and

6. Improvements to the overall energy efficiency of the property.

INELIGIBLE COSTS

1. The repair, purchase or installation of appliances that are designed and manufactured to be freestanding;

2. The repair, purchase or installation of recreational items such as barbecues, bathhouses, greenhouses, swimming pools, saunas, television antennae, tennis courts;

3. The repair, purchase or installation of luxury items such as burglar alarms, burglar protection bars, dumbwaiters, kennels, murals, ceiling fans, flower boxes, awnings, patios, decks and storage sheds/workshops;

4. The repair, purchase, or installation of other items deemed ineligible by the Director of Economic Development or his designated representative; and

5. The relocation of family members during rehabilitation of the property.

Staffing Plan

It is the intention of the City to administer the majority of the HRPP in-house. However, to the extent necessary the City *may* utilize other agencies including, consultants, and private lenders.

City of Montebello Organization Roles and Responsibilities
For questions concerning the HOME Program, individuals may contact the Planning and Community Development's Division staff directly by telephone, or e-mail. The mailing address is City of Montebello, CA, Planning & Community Development Division, 1600 West Beverly Boulevard, Montebello, CA 90640-3932.

Exhibit 7, on the following page summarizes the City of Montebello staff roles and responsibilities in administrating the City's HOME Program.

City of Montebello Staffing Plan		
Staff Members Name, Title **Program Responsibilities**	**Phone Number**	**E-Mail Address**

Rene Bobadilla, City Manager Overall Program Management Oversight	323-887-1200	rbobadilla@cityofmontebello.com
Michael Solarzo, Finance Director Overall Financial Management Oversight	323-887-1200	msolarzo@cityofmontebello.com
Joseph Palombi, Planning & Community Development Director CDBG and HOME Program Administrative Oversight	323-887-1200	jpalombi@cityofmontebello.com
Kevin Saycocie, Deputy Finance Director Oversees Program Financial Operations	323-887-1200	ksaycocie@cityofmontebello.com
Aknesa Ananikyan, Senior Management Analyst CDBG and HOME Program Manager	323-887-1200	aananikyan@cityofmontebello.com
Lissette Montoya, CDBG and HOME Program Consultant	(909) 979-6587	lmontoya@agi.com.co

City Manager – Responsible for overall program management and evaluation of the operation of the program, facilitate the adoption of program policies and procedures and assign the necessary staff resources to carry out the program. As the City of Montebello's certifying officer, signs CDBG and HOME Program certifications, grant documents, loan agreements, and wiring requests.

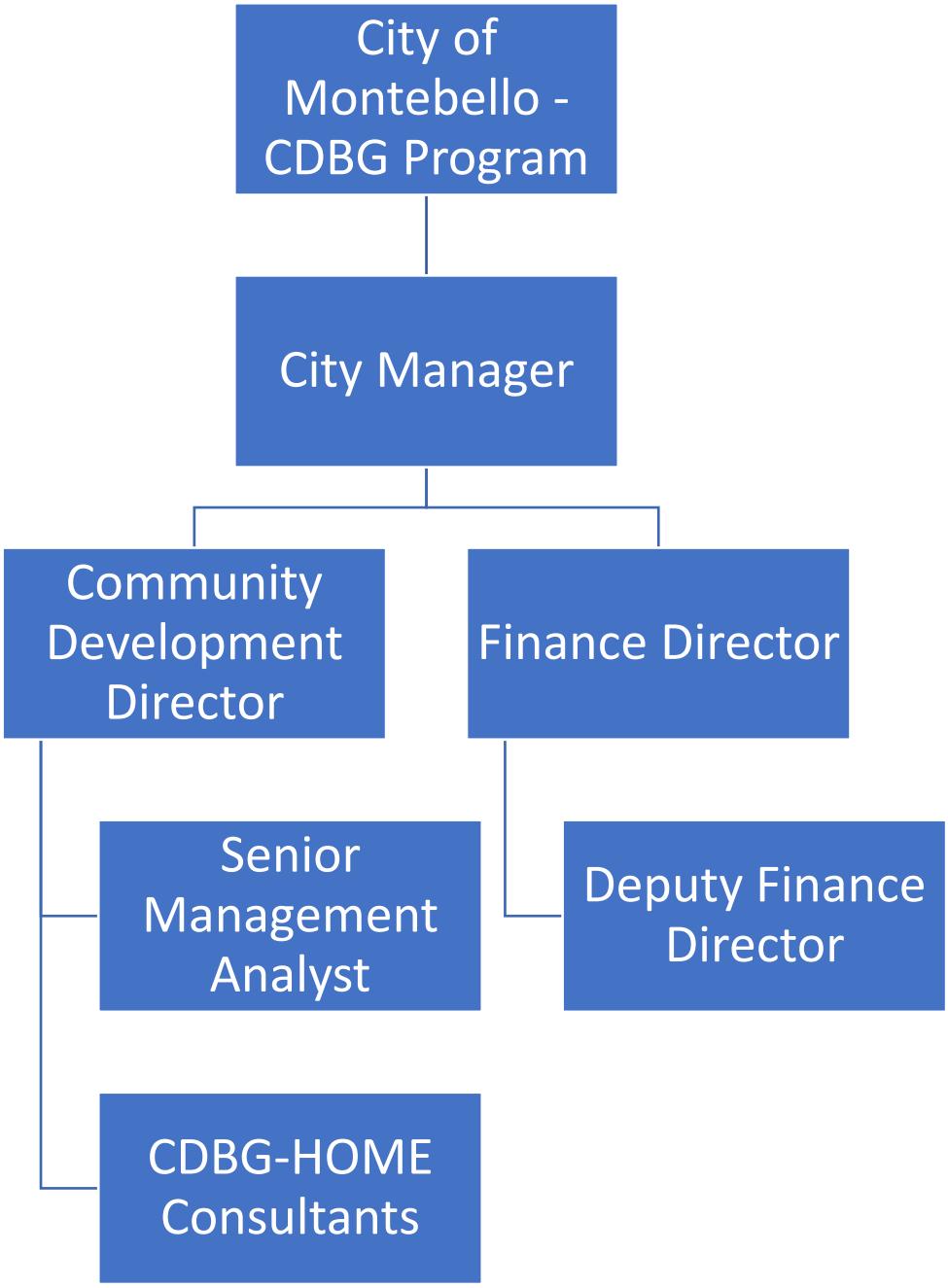
Finance Director – Key City staff member responsible for overall financial operations of the City and serving to evaluate and make recommendations on program financial operations such as the City's HOME Program.

Planning & Community Development Director – Responsible for the CDBG and HOME program administrative oversight, including managing program consultants to ensure programs are being carried out in compliance with CDBG and HOME program requirements. Oversees and assists with the preparation of required reports and IDIS voucher preparation. Assists with the implementation of housing and community development programs including the implementation of CDBG and HOME projects. Working with program consultants, is responsible for selection of program applicants, monitoring of the programs for regulatory compliance, program marketing/outreach.

Deputy Finance Director – Responsible for approving IDIS drawdowns, evaluating/approving financial requisitions and supporting documentation, works with the City Manager, Finance Director, Planning & Community Development Director, Senior Management Analyst and consulting staff to implement financial operations related to the CDBG and HOME program and works with auditors for the completion of City audits.

Senior Management Analyst- Responsible for the CDBG and HOME program administrative oversight, including managing program consultants to ensure programs are being carried out in compliance with program requirements. Oversees and assists with the preparation of required reports and IDIS voucher preparation. Assists with the implementation of housing and community development programs including the implementation of projects. Working with the CDBG and HOME Program Consultant, the Housing Analyst is responsible for selection of program applicants, monitoring of the programs for regulatory compliance, and program marketing/ outreach.

CDBG and HOME Program Consultants - Responsible for ensuring the administration and implementation of the CDBG and HOME programs is being carried out in compliance with program requirements. Assists, as assigned, with the preparation of required reports. Sets up activities in IDIS and prepares vouchers. Reviews the program to ensure compliance with CDBG and HOME regulatory commitment and expenditure requirements; ensures file documentation is maintained. Assists with the implementation of CDBG and HOME activities.


City of Montebello - CDBG Program
City Manager
Community Development Director
Finance Director
Senior Management Analyst
Deputy Finance Director
CDBG-HOME Consultants

HRPP PROCEDURES

The Senior Management Analyst with assistance from the CDBG and HOME Program Consultant will complete the following procedures:

1. Provide the Borrower with the Housing Rehabilitation and Preservation Program application and other forms required by the Guidelines for participation in the Program.

    a. The HRPP Application Form shall be completed by everyone who lives in the home to be rehabilitated (single family).
    b. The application for multifamily shall include rental property household member information forms and appropriate release of information forms.

2. Complete a title search to identify all persons on title.

3. Verify of Income of every member of the household above the age of 18 (unless enrolled full time in school) who earns any income.

4. Verify benefits and employment and make sure the forms are signed by the borrower(s).

5. Obtain the borrower's signatures on the Loan application and all other appropriate application forms.

6. Review the borrower's most recent property tax information and identifying parcel number.

7. Verify borrower signature on Fair Lending Notice.

8. Verify borrower signature on Statement of Understanding (if applicable).

9. Obtain a credit report for all persons on the title.

10. Obtain a Limited Coverage policy of title insurance prior to closing any Program loan from a title insurance company doing business in Los Angeles County for all HOME loans.

11. Obtain a standard CLTA Lender Guarantee policy of title insurance from such title company for all Owner-Investor loans.

12. Prior to closing a Program loan, the Senior Management Analyst or Program Consultant shall review the condition of title and, based on that review, close the loan only if the title exception(s) disclosed do not materially affect the collateral given to secure the loan.

13. The Program Consultant shall prepare an Environmental Review in the form approved by the City. Said Review shall describe any adverse environmental effects of the loan-funded improvements that are likely to occur.

14. The completed Environmental Review will be submitted to the City's Planning and Community Development Director for its review and approval prior to closing the loan.

    a. The Senior Management Analyst or Program Consultant will not approve any proposed loan if the loan funded improvements are likely to have a significant adverse impact on the environmental, as defined by the National Environmental Policy Act (NEPA).

APPLICATION REVIEW

1. The Housing Analyst or Consultant will review all loan application documents and based on the documents shall make a determination of eligibility consistent with the HRPP Guidelines.

2. If additional information or documentation is required to evaluate the proposed loan, the Housing Analyst or Consultant shall request additional information from the borrower.

3. The Housing Analyst will maintain confidentiality with respect to all financial information received from the borrower to the maximum extent permitted by law.

4. Once the application package is complete, and provided the borrower, the property and the proposed improvements meet all the eligibility requirements set forth in the HRPP Guidelines, the Housing Analyst will prepare a summary analysis of the loan request and make a recommendation to the Planning and Community Development Director.

5. These recommendations will be reviewed by the Director of Planning and Community Development based on the following criteria:

    a. Priority will be determined:

        i. according to the City's HRPP waiting list;
        ii. "first come, first serve" basis;
        iii. immediate need;
        iv. project readiness basis;

    b. The borrower, property, and proposed improvements meet all eligibility requirements contained in Section 3 of these Guidelines.
    c. The proposed loan meets the Loan Criteria contained in the HOME Guidelines.
    d. The proposed loan meets all HOME loan underwriting conditions.

e. The proposed improvements comply with all local, state, and federal regulations, including but not limited to:

   i. Land Use Zoning;
   ii. Design Review;
   iii. Building Permits;
   iv. California Environmental Quality Act (CEQA];
   v. National Environmental Policy Act [NEPA];
   vi. Davis Bacon Prevailing Wage; and
   vii. Other regulations which may be applicable.

f. No borrower shall be excluded or discriminated against because of race, color, religion, ancestry, sex, age, national origin, physical handicap, or any other legally prohibited basis.

EXCEPTION/SPECIAL CIRCUMSTANCES

The following procedures shall be used when considering any action which would depart from policy and procedures developed in the HOME Guidelines:

1. Consideration of exceptional/special circumstances may be initiated by either the borrower, Housing Analyst, or the Director of Planning and Community Development.

2. A report will be prepared by the Housing Analyst or Director of Community Planning and Development that will be included in the borrower's loan application file, along with all other loan documents.

   a. This report will contain a narrative, including relevant information provided by the borrower and the recommended course of action.

3. The City's Director of Planning and Community Development or his/her designated representative will review the report and make a determination regarding the exception/special circumstances.

4. The recommendation shall consider use of, HOME Program HRPP funds, Community Development Block Grant (CDBG), or other potential funding sources which may be used to address the exception/special circumstances.

APPEAL

1. A borrower may appeal in writing the decision of the City with respect to the approval or denial of a HRPP loan to the City Manager within 30 days of the decision.

2. The City Manager will review the matter and decide the appeal which shall be the final decision of the City and there shall be no further appeal from that decision.

CHAPTER 5: PROCESSING PROCEDURES

PART 1: APPLICATION PROCESS

During the application process the program staff or Consultant must:

1. Certify income eligibility.
2. Verify property ownership.
3. Verify property is in the City of Montebello.
4. Verify that property is owner-occupied.
5. Verify that mortgage, property taxes, and insurance are paid up-to-date.
6. Re-calculate the LTV.
7. Verify the type of mortgage is held in first positions.
8. Create a file for each application, organized in the order provided in the File Checklist form. The file must be properly labeled.
9. Log application database.

All forms must be fully completed and signed accordingly. All supporting documentation must be current (no older than 3 months). The following is a list of the required supporting documentation:

1. Verification of dependent children living at home.
2. Proof of full-time student status for dependents 18+ of age.
3. Complete bank statements for the last two (2) months
4. Asset/investment statements for the last two months.
5. Complete federal and state income tax returns (including W-2's, 1099's etc). For loans and self-employed the most recent 2 years.
6. If self-employed, most recent certified quarterly financial report.
7. Documentation evidencing eligibility of other program requirements, such as ownership, occupancy, and property location.

8. EDD Notice for adult household members who do not receive income.

9. When available, a copy of current appraisal report (dated within 3 months).

PART 2: APPLICATION INTAKE

The purpose of the intake is to establish eligibility of the applicant. The Director of Planning and Community Development or designee conducts the intake. The intake is completed by the applicant submitting a complete application with supporting documentation. Non-complete applications will be returned to applicant with list of necessary items to process application.

It is crucial for the Program staff or consultant to estimate household income, LTV, the property preliminary after rehabilitation value, and the types of encumbrances on the property to determine eligibility. The income and LTV analysis completed during the intake process is not verified until further documentation is obtained to validate. Calculations are based on the review of proper documentation. LTV only applies to loans.

Verification of Property Ownership and Status

In addition to income documentation, Program staff or Consultant must obtain supporting documentation to determine eligibility for other program requirements.

Eligibility Requirement	Must verify with at least one of the following:
Verification of ownership: The property must be owned by the applicants	• Copy of grant deed or, quitclaim deed, • Title report or insurance issued within the last year, which verifies the vesting to be the applicants' name(s)
Verification that property is owner-occupied: The property must be the owner's principal place of residence.	• Copy of current property tax bill that shows homeowner's exemption and the subject property as the mailing address
Verification that mortgage payment is current: Assistance cannot be provided if payment is not current.	• Copy of most recent mortgage statement that shows payment is current • Mortgage history printout
Verification of type of first mortgage: No reverse mortgages, negative amortizations for loans. Reverse mortgages, negative amortizations are acceptable for grants only.	• Copy of most current mortgage statement • Copy of note specifying terms of repayment and interest rate

Verification that property taxes are up- to-date: Assistance cannot be provided if taxes are not current.	• Printout from the Los Angeles County Tax Collector's website that shows the tax as current. Website at http://ttax.co.la.ca.us/ • Receipt of payment (if payment has been recently made and website has not been updated) • Copy of payment arrangements from tax collector for delinquent tax
Verification that insurance is up-to- date.	• Copy of current evidence of insurance or policy. It must show the expiration date, or specify that it is continuous
Verification of Loan-to-Value (LTV) (loan program)	• Copy of most current mortgage statement(s) • Copy of note(s) specifying loan amount

Property encumbrances: The Program Staff or Consultant must verify the types of loans of the existing debt. Fixed rate loans are preferred. However, variable rates, and interest-only loans are acceptable. Properties with reverse mortgages, and negatively amortized loans are not eligible for loans, but are acceptable for grants.

Income Calculation

The Program utilizes the annual income definition as defined in 24 CFR 5.609 (Part 5 annual income) to determine household income eligibility. Households must have income at or below 80% AMI, adjusted for family size, to be eligible for the program. The latest published income limits provided by HUD will be used.

During the Intake, the Program Staff or Consultant must calculate household income earnings of all adult household members based on the requirements.

The preliminary income calculation must include income derived from:

a. Employment (wages, salary, overtime, tips, bonuses, etc.)
b. Self-employment / Business income
c. Social security benefits
d. Child and/or family support, alimony
e. Rents
f. Public assistance
g. Income from assets or investment (interest, dividends, royalties, annuities, etc.)
h. Pensions
i. Unemployment, disability, or worker's compensation
j. Union benefits
k. Other sources of income not specified above

Income may be certified based on information obtained from third party verifications and the review of documents provided at the time of application. The income certification is valid for a period of six months (validation period). It will not be required to re-certify income unless six months have lapsed from the time of certification and no expenditures have been incurred for the project. Funds must be expended or committed to project prior to the expiration of the validation period.

The Program Staff or Consultant is responsible for obtaining all the required income documentation for all the sources of income. The sources of income can be determined by:

1. The Income, Asset and Employment Disclosure portion of the application.

2. Tax returns may sometimes reveal relevant income sources, such as interest income, capital gains, dividends, etc., which may not have been disclosed in the loan forms that may require additional documentation.

Eligibility can be established by examining documentation on the different sources of income for the household. Applicants must supply at least 2 months of source documentation (e.g., wage statements, interest statements, or unemployment compensation). The following is a list of income sources, and examples of acceptable documentation:

Type of Income	Documentation Source – not older than 3 months
Gross employment income: • Wages • Salary • Overtime • Tips • Commissions • Bonuses	• Employment verification from employer • Paycheck stubs (copies of the most recent 2 months of paycheck stubs) • Certified copies of tax returns and W-2's if within the first quarter of the new calendar year, requires a signed 4506 form • Copy of employment contract, which must specify the earnings amount and expiration date
Net self-employment or business income	• Certified copies of tax returns, with signed 4506 form for the previous 2 years (including all attachments, specifically Schedule "C") • Audited financial statement • Latest quarterly financial statement
Social security benefits • Including SSI payments • Including anticipated Cost of Living Adjustments (COLAs)	• Written verification from the Social Security Administration • Copy of award letter stipulating the benefit amount • Copy of bank statement verifying the direct deposit of the benefit amount

Periodic determinable allowances: • Child support • Alimony	• Copy of court decree that establishes amount of support • 2 months of statements from State office that verifies the amount of support • Affidavit of support with supporting documents (subject to proof that the foregoing methods of documents are not available). • If absent parent is incarcerated, provide proof of incarceration
Regular contributions received from organizations or persons not residing in the dwelling	• Notarized affidavit of support and amount shown on bank deposits.
Net rental income	• Tax returns, including schedule "E" • Copies of rental agreements/leases, along with a breakdown of monthly expenses to determine net income including mortgage statement
Welfare assistance: • Payments under CALWorks • Welfare or General relief	• Benefit award letter specifying the amount of the cash aid and/or food stamps • Verification from case worker stating the benefit amount • Copy of checks
Income from assets: • Savings account(s) • Checking account(s) • Investments	• Bank statements showing the last 3 months of interest • Savings passbook • Verification of deposit • Most recent income tax returns showing the interest earned • Investment statements showing the dividends earned and/or anticipated earnings
Gross amount of payments in lieu of earnings: • Unemployment • Disability compensation • Worker's compensation	• Benefit award letter showing monthly benefit • Copy of checks (2 months)
Gross amount of periodic payment: • Annuities • Pensions/Retirement • Disability benefits • Death benefits	• Statement of benefits • Benefit award letter • Verification from awarding agency/entity

Other sources of income: • Union benefits • Adoption Assistance • Other income not specified above	• Statement of benefit award that evidences benefit amount • Documentation to support declaration of other income • Check stubs (2 months)
No income:	• EDD Notice of Benefits • Verification of previous employment • Verification from IRS • Statement of Non-Earnings form
No tax returns:	• Affidavit pertaining to household income

Assets of an Absent Spouse will be taken into consideration, the value to be determined.

Income Exclusions

The list of sources of income that should not be included in the income calculation is specified in 24 CFR Part 5.

Assessing Information and Computing Income

The Program Staff or Consultant must calculate the household income based on the documentation obtained, and complete an Anticipated Income Determination form for each household.

When assessing the documentation, it is important to determine:

a. The basis on which employees are paid, such as hourly, weekly, monthly, with or without overtime, etc.
b. In the case of overtime, it is crucial to determine whether the overtime is irregular or a predictable part of the person's income.
c. If the household member will continue to earn overtime pay on a regular basis, then the Program Staff or Consultant must calculate the average amount of overtime pay earned over the period used to calculate income eligibility, and the average amount of overtime earnings must be included in the income projection for the household.
d. If overtime work is not constant and will not be constant in the next 12 months, the Program Staff must request detailed overtime information from the employer in the Verification of Employment, and use the information supplied by the employer to determine how overtime is to be calculated.

Formulas used to determine annual income:

Frequency	Formula
Weekly	Multiply gross income by 52 weeks
Biweekly	Multiply gross income by 26 weeks
Twice-a-month	Multiply gross income by 24 weeks

Monthly	Multiply gross income by 12 months

Refer to the Technical Guide for Determining Income and Allowances for the HOME Program for household members who have variations in pay.

If the Program staff or Consultant has verification that the household member has been employed by the same employer from the beginning of the calendar year, then the monthly income can be calculated by dividing the year-to-date (YTD) annual earnings by the number of paychecks received. For example, if the paycheck stub indicates that the individual is paid bi-weekly and the pay date was June 28, 2016, and the YTD is $18,500, then you divide $18,500 by 13 paychecks, and annualize the calculated monthly earnings by multiplying the result by 26.

$18,500 ÷ 13 = $1,423.08 per pay period
$1,423.08 x 26 = $37,000.08 per year

The above method will only work if staff has verified that the household member has worked for that same employer since the beginning of the calendar year, and if the paycheck stub reflects the year-to-date earnings that include all overtime, bonuses, etc.

Special Circumstances

If income cannot be calculated by using the documentation described above, then the income calculation must be handled on a case-by-case basis, as appropriate for the situation. For example: If the income is derived from the sale of recyclable materials, it will be necessary to provide enough documentation (i.e. sales receipts) to reasonably determine annual income. The documentation must be in a form acceptable to the Program staff. Self-certifications of income are not allowed.

Income shall be re-examined for eligibility if more than six (6) months have lapsed between the date the family was last qualified as income eligible and the first expenditure.

Household Size

Since income limits are adjusted by household size, it is crucial to accurately determine the size of the applicant's household.

For income purposes, all household members' income is to be counted regardless of relationship. This includes tenants, borders, permanent live-in caretakers, and non-eligible occupants. Foster children are not to be included as part of the total household members when determining the eligibility for the addition of bedrooms and bathrooms.

Undocumented (i.e. illegal residents) household members are not counted in determining household size unless they can provide a valid foreign government issued ID with sufficient proof of address.

A child who is subject to shared-custody may be counted as part of the household if the child resides with the household at least 50% of the time. Program Staff or Consultant must obtain verification of dependent children living at home, such as copy of birth certificate, court order awarding child custody, school records, or other documentation that will verify the dependent of part of the household.

Unborn children are not considered part of the household.

The Program Staff or Consultant must review the "breakdown of household members" portion of the application, which is where the borrower discloses all the members of the household. The Program Staff or Consultant must also look for "red flags" that indicate discrepancies in the household size disclosed by the applicant. For example, if the applicant claims that he has 3 dependent children, but the tax returns only show 2 children. In this case, the Program Staff must obtain more information and additional documentation to support the 3rd dependent child, such as a copy of the birth certificate for a newborn, a court order that grants custody of the child, or school records for the additional dependent.

For household members of 18 years of age and older who are full-time students, the Program Staff or Consultant must obtain verification of full-time student status, such as school records, registration, or other documentation that will evidence student status.

Verification of Dependents	• Copy of birth certificate(s) • Copy of school records • Court order warding custody • Adoption documents • Proof of full-time student status for dependents 18+ years of age

Comparing Household Income to Income Limits

Once the household size and anticipated household income has been determined, the information must be compared to the Income Limits issued by HUD to verify eligibility. The Program Staff or Consultant must make sure to use the most recent income limits chart.

Households must have incomes at or below 80% AMI, adjusted for family size, to be eligible for the Program.

Monthly Housing Costs

Monthly housing costs should not be more than 30% of household income.

The Housing Affordability Data System (HADS) developed by HUD provides consistent measures of affordability over a long period of time. The HADS system analyzes the affordability of housing from several perspectives, including the fraction of income that a household spends on housing each month. HADS uses the standard assumption that a unit is affordable if the household spends no more than 30% of its income on housing. In this context, "housing" includes utility payments and, for owner-occupied housing, real estate taxes, hazard insurance, and fees such as condo fees or homeowner's association fees. More information here:
https://www.huduser.gov/portal/publications/pdf/Trends_hsg_costs_85-2005.pdf

In addition, the American Housing Survey (AHS) released by HUD and the US Census Bureau every two years determines monthly housing costs by "summing, when applicable, utility costs, real estate taxes, cost of homeowner insurance, condominium/homeowner's association fee, land/site rent, other mortgage charges, other required mortgage fees, mortgage payments, routine maintenance costs, and rent payments". More information here:
https://www.census.gov/content/dam/Census/programs-surveys/ahs/tech-documentation/AHS_Codebook.pdf

Title Report

California Title Association or a third-party contractor will order a title investigation report through a Policy of Insurance of Record Title (PIRT) for loans. This report must be ordered on each loan application within five (5) business days from the time eligibility has been established. The PIRT will identify all deeds, liens, covenants, and other documents recorded against the subject property.

Credit Reports

All occupants 18 and older are to complete the Authorization for Release of Information form. Credit reports will be ordered for all adult members of the household. Upon receipt of credit reports, they are to be reviewed to insure they coincide with reported income.

Lead-Based Paint Assessment

Order lead testing assessment (when applicable) to comply with HUD's Lead Safe Housing Rule, a certified Environmental Company must perform a lead inspection to test surfaces to be disturbed during rehabilitation activities on properties built prior to 1978. A post lead clearance is also required. Refer to Appendix C: Lead- Based Paint Hazard Reduction Requirements.

Preliminary Loan to Value (LTV)

The Program Staff or Consultant must verify the LTV in order to remain in compliance of maximum LTV requirements. The LTV is calculated by adding all of the indebtedness against the subject property, and the proposed Program loan. The total is then divided by the estimated value of the property. Total LTV not to exceed 80%.

Example/Scenario of LTV calculation:

$125,000 1st mortgage
$ 35,000 Proposed Program loan

$155,000 Total indebtedness

$425,000 Estimated property value

$155,000 ÷ $425,000 = 36%

Preliminary After Rehabilitation Value

The U.S. Department of Housing and Urban Development (HUD) requires documentation of the after-rehabilitation value (ARV) to show such housing is within Section 203(b) program limits.

In accordance with 24 CFR 92.254(b), housing currently owned by a family (i.e., owner- occupied housing) only qualifies as affordable housing under the HOME Program if the estimated value of the property, after rehabilitation, does not exceed 95 percent of the median purchase price for the area (as established by HUD). The City must maintain files showing how ARV was determined and found to be within the applicable program limits. Property value must be determined prior to the provision of HRPP assistance. The value will be established by appraisals prepared by a licensed fee appraiser. Project files must document the post rehabilitation appraised value and clearly indicate it in the appraisal report. This requires the City to provide the appraiser the written work write-up that includes the proposed rehabilitation for the subject property. An estimate of value also reflects the value of a standard property; this corresponds to the estimated post-rehabilitation value of the subject property, based on the proposed rehabilitation. The form called 95% Property Value Limit must be completed for each project.

Application – Follow-up

As needed, request all required third party verifications, such as verifications of mortgage, employment, benefits, or deposit.

Upon receipt and review of documentation (income, property information, credit report) the Program Staff or Consultant will notify the applicants of their eligibility or request additional documents for clarification. The homeowner will be notified in writing of the additional documentation and will be given (30) days to submit.

If the homeowner does not respond within the (30) calendar day deadline specified in the correspondence, the Program Staff or Consultant will cancel the file. If the file is canceled, the

homeowner will not be eligible to re-apply for the program until a year from the closing of the file.

The City will only permit a file to be re-instated due to illness, hospitalization or death in the immediate family

Request for the re-instatement has to be done in writing within 30 calendar days of the cancellation of the file.

The Program Staff or Consultant must keep a calendar for timely follow-up after the initial intake.

Denial of Application

If during the application intake the Program Staff or Consultant determines that the applicant does not qualify for the Program, a denial letter must be mailed, indicating the reason for denial. The applicant will be given a 30-day period to appeal the denial.

Approval of Application

After the applicant's eligibility is established, the Program Staff or Consultant will notify applicant in writing of their eligibility for the program and indicate the assistance to be provided.

Initial Property Inspection

Program staff will schedule an initial property inspection with the property owner. The initial inspection will allow the property to be evaluated and determine which repair items will be addressed. In addition, after the inspection a determination will be made as to whether or not lead-based paint stabilization or abatement will be required. To facilitate the inspection the following steps should be taken:

1. Coordinate inspection with Building and Safety Inspector (if necessary).

2. In conducting the inspection, schedule a time with the property owner to conduct the formal property inspection. At the time of the inspection, the Program Staff should:

    a. Review the property
    b. Obtain a list of general property improvements desired by the homeowner
    c. Check the dwelling for structural deficiencies. Physically walk through the dwelling identifying every substandard feature that may be observed and note all improvements necessary to bring the dwelling up to Code. (Un-permitted structures that do not meet program guidelines must be permitted before assistance can continue).
    d. Inform the homeowner of deficiencies identified
    e. Obtain homeowner preferences regarding options for correcting deficiencies.

f. Take thorough pre-construction photos of each area in which rehabilitation or repairs will occur. Additionally, if necessary for historical purposes, take photos of the subject property, property to the right and left and across the street.

3. When reviewing inspection notes the Program Staff or Consultant shall take into account the following:

   a. Overcrowded conditions. If it's determined that overcrowded conditions exist and there is a request for the construction of an additional bedroom/bathroom an explanation will be included in the file. Such report shall include the number of occupants in household, the age and gender of occupants in household, the age and gender of occupants in household, and the existing number of size of sleeping quarters.
   b. Rehabilitation Feasibility. Program Staff shall make a determination on the rehabilitation feasibility of the property with the following factors taken into account:
      i. Location of structure
      ii. Excessive rehabilitation costs
      iii. Type of improvements
      iv. Type of structure
      v. Condition of structure
      vi. Homeowner's needs

4. Order termite inspection reports for all loans. Program Staff or Consultant must request at least three (3) qualified termite companies and keep the confirmation in the loan master file.

   If the property has been inspected and treated for termites within the last 12 months, a new termite report is not required. In which case, the Program Staff or Consultant must request a copy of the Notice of Work Completed from the homeowners.

   Copies of Lead report/assessment and termite report must be provided to the homeowner. The Program Staff must also take into consideration the reports when preparing the work write-up.

Historic Preservation

Historic preservation requirements apply to properties that are 50 years old or older. Historic properties are residential properties listed in or eligible to be listed in the National Register of Historic Places, state or local inventory of historic places, designated as a historic landmark, or designated as contributing to a historic district by local law or ordinance. Refer to Appendix G – Historic Preservation Forms. The Program Staff or Consultant must determine if the property is subject to historic preservation requirements, as follows:

1. Verify the age of the property with a property profile. If the property is not 50 years old or older, then no further historic process is required.

2. If the subject property is 50 years old or older and the rehabilitation work will involve exterior work, the Program Staff or Consultant must submit a Historic Eligibility Determination to State Historic Preservation Office (SHPO) via regular mail. This consultation with SHPO is only for projects that will include exterior work. SHPO clearance is not needed for projects that will only address interior rehabilitation, or for properties that are not 50 years old or older. The consultation letter must include:

    a. Photographs of the property as required by the State.
    b. A list of the proposed rehabilitation.
    c. Relevant information regarding the historic significance of the property.

3. SHPO must respond within 30 days. If no response is received, then rehabilitation work may proceed.

4. Complete of Historic and Architectural Assessment Form.

    a. If the proposed rehabilitation involves only interior work or if the subject property is less than 50 years old, only Part A of the Historic and Architectural Assessment Form is necessary.
    b. If the proposed rehabilitation involves exterior work to a property that is 50 years old or older, verify that proper consultation was submitted to SHPO. If no response is received from SHPO within 30 days, then project is able to proceed.
    c. Complete Part B of the Historic and Architectural Assessment Form for projects that involve exterior rehabilitation of properties 50 years old and older.

Environmental Requirements

An Environmental Assessment to be completed for all properties. The Program Staff or Consultant must complete the Environmental Finding Report during the property inspection; it must be signed by the Planning and Community Development Director or his/her designee.

Relocation

In accordance with the Uniform Relocation Act, if the project will prevent the homeowner from accessing heat, bathroom facilities, or the kitchen, then the homeowner may request relocation assistance. The City will provide up to $500 to assist in covering the costs of relocation advisory services to displaced tenants and owner occupants, moving expenses, and temporary living arrangements. Relocation costs incurred by the City are eligible for reimbursement through HUD. Written notice must be provided to the tenant or owner occupant a minimum of 90 days prior to the required date of the move.

Work Write-up

The Program Staff or Consultant must prepare the Work Write-up, which is the set of instructions specifying the proposed rehabilitation work and will also serve as part of the contract. The Work Write-Up must describe and address any code violations, health and safety deficiencies, and lead hazards in a manner that is sufficiently detailed to serve as the basis for obtaining bids from contractors.

PART 3: PROCUREMENT

This section provides an overview of the HUD standards for Federal procurement requirements 24 CFR Part 85.36 and 24 CFR Part 84.40-48.

The City of Montebello needs to ensure that all applicable Federal requirements are followed throughout the process. While the City has its own procurement and contracting requirements, the use of Federal funding requires compliance with Federal regulations at a minimum. The primary purpose of the procurement procedure is to assure free and open competition is achieved.

The City of Montebello and its Recipients must follow procurement procedures as they pertain to the HOME Program:

1. **OMB Standards -** Materials shall be procured in accordance with the requirements of 24 CFR 84.40-48 and the procurement standards set forth in OMB Circular A-110, and shall subsequently follow the property standards, covering utilization and disposal of property, set forth in OMB Circular A-110.

2. **Use and Reversion of Assets -** The use and disposition of real property and equipment must be in compliance with the requirements of 24 CFR Part 84 and CFR 570.502, 570.503, 570.504, and HERA as applicable, which include but are not limited to the following:

3. Any HOME Program funds on hand and any accounts receivable attributable to the use of funds shall be transferred to the City of Montebello at the time of expiration, cancellation, or termination of the Agreement.

Real property under the "Recipients" control that was acquired or improved, in whole or in part, with funds under the Agreement shall be used to meet one of the HOME Program Activities.

PROCUREMENT TYPES

1st Procurement Method: Competitive Sealed Bids (formal Advertising)

The sealed bid method is required for procuring all construction contracts or for goods costing more than $100,000. The only exceptions to this rule are single family housing rehabilitation projects where the total cost does not exceed $100,000. These projects may be conducted under the Small Purchases Method. During this process, bids are publicly solicited and a firm fixed-price contract is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.

In order for sealed bidding to be feasible, the following conditions should be present:

1. A complete, adequate, and realistic specification or purchase description is available;
2. Two or more responsible bidders are willing and able to compete effectively for the business; and
3. The procurement lends itself to a firm-fixed-price contract and the selection of the successful bidder can be made principally on the basis of price.

When sealed bids are used, the following requirements apply:

1. Publication Period: The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
2. Federal Funding Advertised: The advertisement should indicate that the project is being funded with HOME funds and that federal requirements will apply to the contracts.
2. Clear Definition: The invitation of bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
3. Itemized Costs: Bids must show the quantity and cost of each line item. Lump sum bids and/or bid items that are not specifically identified or are generally grouped as miscellaneous or contingency are not allowed.
4. Public Opening: All bids will be publicly opened at the time and place prescribed in the invitation for bids;
5. Selection and Contracting: A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder; and
6. Rejection of all Bids: Any or all bids may be rejected if there is a sound documented reason.

Negotiations after Unsuccessful Competitive Sealed Bidding: Negotiations are permitted within the following guidelines, which consider that time or other circumstances will not permit a re-solicitation of competitive sealed bids.

Bids Over Construction Budget by 10 percent or Less: When bids are received and the low bid exceeds available funds and it is determined in writing from the procuring agency that time or other circumstances will not permit the delay required to re-solicit competitive sealed bids, a contract may be negotiated with the lowest responsive and responsible bidder, provided that the lowest base bid does not exceed available funds by an amount greater than five percent of the construction budget established for that portion of work. The procuring agency may change

the scope of the work (with prior approval from the Authority) to reduce the cost to be within the established construction budget.

Bids Over Construction Budget by more than 10 Percent: When bids are received and the low bid exceeds available funds by more than 10 percent of the construction budget and it is determined in writing from the procuring agency that time or other circumstances will not permit the delay required to re-solicit competitive sealed bids, a contract may be negotiated provided that:

a. Each responsible bidder who submitted a bid under the original solicitation is notified of the determination and is given reasonable opportunity to negotiate.
b. The negotiated price is lower than the lowest rejected bid by any responsible and responsive bidder under the original solicitation.
c. The negotiated price is the lowest negotiated price offered by any reasonable and responsible offeror.
d. If the scope of services originally addressed has been significantly changed, prior Authority approval is required and a project amendment may be necessary.

2nd Procurement Method: Competitive Sealed Proposals (RFPs/RFQs)

Competitive sealed proposals are used in two instances:

1. The acquisition of any engineering or architecture services, or
2. The purchase of other professional services where the total cost will exceed $100,000.

Under this procurement method, the Recipient must publish a written request for submissions and then review these submissions based on established selection criteria. This method of procurement differs from the small purchases method in that the solicitation must be published and cannot be restricted to a smaller or limited number of bidders. Under this approach, there are two possible methods of soliciting proposals:

1. A **Request for Proposals** asks that officers submit both qualifications and cost information.
2. A **Request for Qualifications** only asks for information on the offeror's expertise/experience and not on cost.

When acquiring any service that is not architecture or engineering, the full RFP process must be used. For example, if the City were to hire a for-profit HOME Program contract administrator and that contract exceeded $100,000, an RFP would be required.

When acquiring architectural or engineering services, either a RFP or a RFQ may be used. The City recommends the use of an RFP process when feasible or practical, since it provides the recipient additional information.

Request for Proposals (RFP): When a RFP process is required, the City must develop a written document outlining the scope of the services and the selection criteria. The scope must be sufficiently detailed so that potential bidders are able to develop effective pricing proposals and submit appropriate qualifications.

Request for Qualifications (RFQ): The RFQ process may only be used in two instances:

1. For complicated architectural or engineering services, or
2. When the RFQ is used to narrow a pool of potential bidders and a formal RFP will follow. In any other competitive proposal instance, the RFP must be used. The RFQ process does not request cost information at the time of solicitation.

3rd Procurement Method: Small Purchase Procedures

The Small Purchase Procedures Method allows acquiring goods and services totaling no more than $100,000, without publishing a formal request for proposals or invitation for bids. This method of procurement is typically used to purchase commodities such as equipment or other materials. In the highly unlikely event materials are purchased that will exceed $100,000, they must use the Sealed Competitive Bid Method.

The Small Purchases Method can also be used to acquire eligible types of services, such as professional consulting, environmental review, or planning. This method cannot be used if the services contract will exceed $100,000 in value. If the services contract will exceed $100,000, an RFP must be issued under the competitive proposals approach. Note that engineering architectural and construction services cannot be procured using the small purchase method and must always be acquired using the competitive proposal approach. These acquisitions must occur under the competitive sealed bid method. In general, the small purchase procedure should not be used to acquire construction contractors. The only exception to this is when the City is contracting for single family rehabilitation, where the total cost of the rehabilitation will not exceed $100,000.

4th Procurement Method: Noncompetitive Proposals

Procurement by noncompetitive proposals is procurement through solicitations of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and one of the following circumstances applies:

a. The item is available only from a single source;
b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
c. The City authorizes noncompetitive proposals; or
d. After solicitation of a number of sources, competition is determined inadequate.

OTHER CONSIDERATIONS

Aside from selecting the method of procurement, there are several other considerations the City of Montebello adhere to when procuring goods or services with Federal funds including:

Conflict of Interest

1. A written code of conduct must be maintained to help prevent conflicts of interest in procurement.

2. The written code of conduct must apply to all employees, officers, agents of the City or its Recipient, and members of their immediate family, and partners.

3. The code shall prevent financial interest or other benefits earned for any of these persons due to a HOME Program-related procurement action. These persons also cannot solicit or accept gratuities, favors or other items of monetary value from contractors.

Excluded Parties

1. The City must adhere to the prohibitions in 2 CFR Part 2424 on the use of debarred, suspended, or ineligible contractors. A person who is debarred or suspended shall be excluded from Federal financial and non-financial assistance and benefits under Federal programs and activities.

2. Federal funds may not be used to directly or indirectly employ, award contracts to, or otherwise engage the services of any contractor during any period of debarment, suspension, or placement on ineligibility status.

3. The City should regularly check all contractors, subcontractors, and lower-tier contractors against the Federal publication that lists debarred, suspended, and ineligible contractors.

4. In addition, the City should check this list before signing any contract with contractors or subcontractors.

5. Information on parties excluded from Federal procurement and non-procurement programs is available at www.sam.gov.

Minority/Woman Owned Business Enterprises

1. The City of Montebello is required by Federal law to ensure that minority and women-owned business have information about and the opportunity to bid on federally funded competitive contracts.

2. The City is required by law to use minority and women's businesses whenever possible.

Construction Management

In order to ensure HOME Program compliance and the overall success of projects, there are a wide number of critical tasks that the City must undertake to properly manage HOME-funded construction, including tasks such as formulating effective standards, managing inspections for quality, and the proper approaches to change orders, contingency funding, and periodic reporting by partners.

Part I of this section covers the applicable standards and codes while Part II addresses the City's HOME requirements related to the construction process and the procedures that the City has developed to effectively manage construction activities.

STANDARDS AND CODES RELATED TO CONSTRUCTION

PROPERTY STANDARDS (24 CFR 92.251)

Property standards are required in the HOME Program to achieve two major purposes:

1. Set a minimum standard for habitability/functionality, for purposes of inspecting and specifying necessary improvements listed in the scope of work; and
2. Establish materials, methods, and standards for any work to be performed.

The property standards that are applicable to the City's HOME Program are described briefly below.

Housing Codes/Standards

1. Housing codes/standards specify the basic living and structural conditions for existing properties. They are used to determine if an existing residence is habitable and identify health and safety conditions.

2. Housing codes/standards are used as the basis for initial inspections of existing properties to identify needed repairs and appropriate improvements. Their purpose is to ensure that existing housing is not occupied unless it is decent, safe, and sanitary.

3. Waivers can be requested for rehabilitation developments if structural constraints prohibit adherence to the minimum design standards. Waiver requirements are detailed as part of the City's Minimum Design Standards.

Building Codes

1. Building codes are a series of requirements that specify how new construction or rehabilitation work is to be carried out. They inform contractors about how to do the work and are used by inspectors to check completed work.

    a. The City of Montebello building codes are mandatory citywide. The City requires that, owners, and developers comply with the building codes adopted in the City's jurisdiction.

2. A number of related codes, such as the fire code and plumbing code, are incorporated into the City building codes.

3. Most work governed by building codes requires that licensed contractors obtain permits prior to starting the work.

4. A building permit alerts building officials and inspectors to the fact that certain types of construction are about to begin and completed work must be inspected to determine if it meets requirements.

Rehabilitation Codes

1. Rehabilitation codes provide specific guidance about applying building codes to guide repair, remodeling, and rehabilitation of existing structures. Appendix J of the International Residential Code provides the minimum requirements for existing structures being rehabilitated.

2. They serve the same purpose as building codes but are moderated to be reasonable approaches to existing conditions because it would be very expensive (perhaps impossible) to renovate an existing older building to meet the same standards for new constructed buildings.

Rehabilitation Standards

1. A rehabilitation standard defines the quality of materials and workmanship that must be used when a particular repair is made. Rehabilitation standards (sometimes called construction standards) speak to the quality, durability, and aesthetics of the end product.

2. They define what methods and materials are eligible for HOME payment.

3. The City of Montebello has adopted written rehabilitation standards for rehabilitation of owner-occupied units, single-family and multi-family, whether the work is done by contractors, or nonprofits.

EXHIBIT 8 – City of Montebello Rehabilitation Standards

SECTION I: SITE IMPROVEMENTS

NOTE: All work requires review by the Building Division regarding need for plans/permits.

SITE IMPROVEMENTS – OUTBUILDINGS

REHABILITATION STANDARD: 75% or more salvageable
Minimum Life: 5 Years
Unsafe, illegal or unapproved structures, including outbuildings, additions and patio covers will be removed if it is not financially feasible (up to $5,000) to complete rehabilitation required to make them structurally sound, leak free and building and zoning code legal.

REPLACEMENT STANDARD: No outbuilding shall be provided.

SITE IMPROVEMENTS – PAVING AND WALKS

NOTE: Any work may require a permit from the Engineering Division.

REHABILITATION STANDARD:
Minimum Life: 15 Years
Badly deteriorated, essential paving, such as front sidewalks, will be replaced to match. Deteriorated paving may be removed or replaced.

REPLACEMENT STANDARD:
Minimum Life: 20 Years
Essential walks and drives shall be replaced with 4” thick, 4% air entrained, 3000 PSI concrete with metal reinforcement.

SITE IMPROVEMENTS – LANDSCAPING

REHABILITATION STANDARD:
Site shall be graded to direct water to run away from foundation. Trees that are too close to the structure shall be removed.

REPLACEMENT STANDARD:
Only for-sale homes’ front yards may be landscaped with a $500 maximum allowance.

SITE IMPROVEMENTS – FENCING/GATES

REHABILITATION STANDARD:
Minimum Life: 5 Years
Fencing shall be rehabilitated to meet the local code.

REPLACEMENT STANDARD:
When funding is sufficient for nonessential improvement, additional wood or wrought iron fencing may be installed to create defensible space in conformance with neighborhood/homeownership association requirements.

SITE IMPROVEMENTS – SWIMMING POOLS/HOT TUBS

REHABILITATION STANDARD:
Minimum Life: 3 Years
Beyond scope of federal financing. Pools may be filled.

REPLACEMENT STANDARD: N/A

SECTION II: EXTERIOR SURFACES

NOTE: All work requires review by the Building Division regarding need for plans/permits.

EXTERIOR SURFACES – EXTERIOR CLADDING

REHABILITATION STANDARD:
Minimum Life: 10 Years
Siding and trim will be intact and weatherproof. All exterior wood components will have a minimum of one continuous coat of paint, and no exterior painted surface will have any deteriorated paint.

REPLACEMENT STANDARD:
Minimum Life: 25 Years
Historically sensitive vinyl siding with 45-year material warranty.

EXTERIOR SURFACES – EXTERIOR PORCHES/BALCONIES

REHABILITATION STANDARD:
Minimum Life: 10 Years
Unsafe or unsightly porches and balconies will be rehabilitated to conform closely with porches in the neighborhood. Porch rehabilitation will be structurally sound, with smooth and even decking surfaces.

REPLACEMENT STANDARD:
Minimum Life: 20 Years
Deteriorated porches and balconies shall be replaced with preservative treated structural lumber and tongue and groove pine or synthetic deck material. Replace with concrete if economically possible.

EXTERIOR SURFACES – EXTERIOR RAILINGS

REHABILITATION STANDARD: None

REPLACEMENT STANDARD:
Minimum Life: 20 Years
Railings that do not meet the current code shall be removed and replaced with wrought iron or synthetic wood.

EXTERIOR SURFACES – EXTERIOR STEPS AND PATIOS

REHABILITATION STANDARD:
Minimum Life: 10 Years
Steps, stairs and decks shall, be structurally upgraded to adopted building code; free from all significant deterioration.

REPLACEMENT STANDARD:
Minimum Life: 20 Years
Any replacement patio, deck or stoop shall be of a minimum functional size, design and construction.

SECTION III: FOUNDATIONS & STRUCTURE

NOTE: All work requires review by the Building Division regarding need for plans/permits.

FOUNDATIONS & STRUCTURE – FIREWALLS

REHABILITATION STANDARD:
Minimum Life: 15 Years
Party walls and garage ceilings shall be maintained without cracks and plaster deterioration and upgraded with 5/8" type X gypsum, glued and screwed to structure.

REPLACEMENT STANDARD:
Minimum Life: 20 Years
All party walls shall conform to the 2010 edition of the California Building Code's new construction requirements for fire separation at both walls and roofs.

FOUNDATIONS AND STRUCTURE – FOUNDATIONS

REHABILITATION STANDARD:
Minimum Life: 20 Years
Foundations shall be rehabilitated to be sound and water resistant if financially feasible.

REPLACEMENT STANDARD:
Foundation replacements above 25% are beyond the scope of the program and usually indicate an infeasible project.

FOUNDATIONS & STRUCTURE – STRUCTURAL WALLS

REHABILITATION STANDARD:
Minimum Life: 20 Years
All structural members shall be free from deterioration, rot and termite damage and be sized in conformance to building code. Any member not in conformance with code shall be re-supported as determined by a structural engineer.

REPLACEMENT STANDARD:
Minimum Life: 40 Years
Walls shall be 2" x 4", 16" on center with at least R-19 insulation and solid sheathing to match existing.

SECTION IV: WINDOWS AND DOORS

WINDOWS AND DOORS – INTERIOR DOORS PLACEMENT

REHABILITATION STANDARD:
Minimum Life: 10 Years
All bedrooms, baths and closets shall have operating doors. Privacy locksets on bath and master bedroom. All other doors shall have passage locks. Recycle doors when possible.

REPLACEMENT STANDARD:
Minimum Life: 15 Years
Doors may be solid core or composite in paint grade jambs.

WINDOWS AND DOORS – EXTERIOR DOORS

REHABILITATION STANDARD:
Minimum Life: 10 Years
Exterior doors shall be 1 ¾ inch thick, solid core, insulated to minimum R-6, weather stripped, operate smoothly, including a peep site, a dead bolt, and an entrance lock set. Rod iron installations require review by the Building Division.

REPLACEMENT STANDARD:
Minimum Life: 20 Years
All replacement doors at the front of the property will be neighborhood sensitive, Energy Star, steel or fiberglass solid core doors with peep sight and deadbolt. Garage/house doors shall be 20-minute fire rated with self-closing hinges. Energy Star, solid core doors with peep sight, dead bolt, and entrance locksets shall be installed at entrances not visible from the front street. Garage doors shall be R-5, embossed metal with a lockable assembly.

WINDOWS AND DOORS – WINDOW PLACEMENT

REHABILITATION/REPLACEMENT STANDARD: Bedrooms shall have all operable windows with a screen and meet egress requirements (one per room) per California Building Code.

WINDOWS AND DOORS – WINDOWS & SLIDING GLASS DOORS

REHABILITATION STANDARD:
Minimum Life: 10 Years
All windows and sliding glass doors shall be weather tight, include a locking device, and where required for egress, be fully functioning/operational.

REPLACEMENT STANDARD: Energy Star
Minimum Life: 20 Years
Double glazed, PVC or fiberglass, a minimum R-value of 2.8 (U=.33), SHGC of 0.30 and DP of 45.

SECTION V: ROOFING

ROOFING – FLAT AND LOW SLOPE ROOFING

REHABILITATION STANDARD:
Minimum Life: 10 Years
Rehabilitate roofing when cost is less than 30% of total replacement cost.
Built-up roofing, flashing and accessories shall be rehabilitated per California Building Code 2010 wherever a 5-year leak free warranty is available from a certified roofing company.

REPLACEMENT STANDARD:
Minimum Life: 15 Years
The most cost effective Energy Star certified roof of: 3 ply hot built-up, T.P.O. or EPDM per California Building Code 2010.

ROOFING – PITCHED ROOFS

REHABILITATION STANDARD:
Minimum Life: 10 years with warranty
Rehabilitate when cost is less than or equal to 5% of total replacement cost.
Missing and leaking shingles and flashing shall be rehabilitated on otherwise functional roofs per California Building Code 2010. Concrete, metal and tile roofs shall be rehabilitated when at all possible. Antennae and communication disks shall be permanently removed.

REPLACEMENT STANDARD:
Moderate: Minimum Life: 30 Years
Fiberglass, asphalt, 3 tab, class A shingle weighing at least 235 and up to 270 lbs, architectural grade, 30-year warranty with ridge ventilation system per California Building Code 2010.

SECTION VI: INSULATION AND VENTILATION

INSULATION AND VENTILATION – ATTIC VENTILATION

NOTE: All new work requires permits from the Building Division.

REHABILITATION STANDARD:
Minimum Life: 5-Year
Any pre-installed ventilation shall be maintained or if powered and not functioning, replaced.

REPLACEMENT STANDARD:
Minimum Life: 20 Years
Attics will be ventilated with a minimum of one (1) square foot of free vent for each 150 square feet of roof area or be redesigned for integration with new insulation system. Solar powered roof vents may be used when possible.

INSULATION AND VENTILATION – BATH VENTILATION

REHABILITATION STANDARD: None

REPLACEMENT STANDARD:
Minimum Life: 10 Years
Energy Star, exterior ducted, 70 CFM, max 20 sones and separate switch or humidistat in all full and three quarter baths.

INSULATION AND VENTILATION – INFILTRATION

REHABILITATION/REPLACEMENT STANDARD:
Minimum Life: 5 Years
All exterior doors and attic hatches shall be weather stripped. All visible cracks shall be caulked.

INSULATION AND VENTILATION – INSULATION

REHABILITATION STANDARD: Not Applicable
REPLACEMENT STANDARD:
Minimum Life: 15 Years
Attic insulation goal is R-30, crawls spaces R19. New walls will be insulated to capacity with blown cellulose, fiberglass or closed cell foam to cavity capacity. Attic access panel must be insulated to R-30 with rigid foam.

INSULATION AND VENTILATION – KITCHEN VENTILATION

REHABILITATION STANDARD: N/A

REPLACEMENT STANDARD:
Minimum Life: 5 Years
Energy Star, exterior ducted range hoods or exhaust fans with less than 10 sones, at least 120 CFM and capped with a functional back draft.

SECTION VII: INTERIOR STANDARDS

INTERIOR STANDARDS – INTERIOR RAILINGS

REHABILITATION STANDARD:
Minimum Life: 10 Years
Handrails will be present on one side of all interior steps or stairways with more than two risers and around platforms over 30" above floor level with adequate structural attachment, in compliance with the California Building Code 2010.

REPLACEMENT STANDARD:
Minimum Life: 15 Years
Hand and guardrails shall be replaced with universal design standard material and construction in compliance with the California Building Code 2010.

INTERIOR STANDARDS – INTERIOR WALLS AND CEILINGS

REHABILITATION STANDARD:
Minimum Life: 5 Years
Walls shall be stripped of wallpaper, holes, cracks and deteriorated surfaces. All visual surfaces shall be patched and sanded as to create a smooth surface and recoated using premium, low VOC, vinyl acrylic paint.

REPLACEMENT STANDARD:
Minimum Life: 10 Years
Walls shall be plumb, ceiling level with a smooth finish on at least 1/2" gypsum with water resistant board in wet areas. 5/8” Type X over 16” on center studs installed per the American Gypsum Association. Kitchen tile backsplashes and wainscot in ceramic tile baths.

INTERIOR STANDARDS – HAZMAT TESTING AND TREATMENT

REHABILITATION STANDARD:
SAFE PRACTICES
Low: Minimum Life: 3 Months
Asbestos and lead paint hazards, when previously identified, shall be addressed in conformance with applicable local, state, and federal laws. Rehabilitated properties shall be cleaned to pass a Lead Dust clearance test to the levels prescribed by HUD regulations.
Moderate: Minimum Life: 1 Year

All properties shall be visually inspected for asbestos and lead suspect materials. No friable asbestos and all interior and exterior lead suspect surfaces shall be repainted using premium acrylic latex. Properties shall pass HUD lead dust clearance standards prior to occupancy.
High: Minimum Life: 1 Year
All properties shall undergo visual "Risk Evaluations" by rehab supervisors and be treated with the most affordable interior, exterior and site clean-up to clearance standards.

REPLACEMENT STANDARD: IN PLACE MANAGEMENT & ABATEMENT
High: Minimum Life: 20 Years
After an inspection by an EPA Certified Inspector, all hazardous material shall be removed from all moving parts, floors and mouthable surfaces. Encapsulants and enclosures may be used.

INTERIOR STANDARDS – CLOSETS

REHABILITATION STANDARD:
Minimum Life: 10 Years
Existing closets will be maintained.

REPLACEMENT STANDARD:
Minimum Life: 10 Years
All bedrooms shall have a closet with a door, clothes rod, and shelf. Baths must include linen storage and coat hooks must be near the front door.

INTERIOR STANDARDS – FLOORING

REHABILITATION STANDARD:
Minimum Life: 10 Years
Ceramic tile flooring may be rehabilitated and wood floors sanded and refinished. Salvageable carpet may be cleaned. Minimum life for carpet is 5 years.

REPLACEMENT STANDARD:
Minimum Life: 20 Years
Stone, tile or vinyl flooring may be installed over reinforced cement underlayment in baths. Wood or laminate flooring may be installed in living and dining rooms and halls. Kitchen and utility to be ceramic tile. FHA approved carpet over 6 lb rebond underlayment is allowed in bedrooms when economically feasible.

INTERIOR STANDARDS – APPLIANCES

Assessment of existing appliances shall be made to determine if replacement is necessary.

REPLACEMENT STANDARD: Energy Star and Water Sense. The following appliances are eligible to be installed only when funding allows:
• Dishwasher: Energy Star rated;

- Washing Machine: Energy Star rated (required);
- Dryer: 7 CF with sensor dry system;
- Refrigerator: Energy Star rated (required);
- Range – Gas or electric, 4 burner;
- Garbage disposal – 1/2 hp, with minimum 3 year warranty;
- Microwave/Hood combination (if replacing current equipment); and
- Built-in Oven (to match) Energy Star rated.

INTERIOR STANDARDS – MINIMUM KITCHEN DESIGN

REHABILITATION/REPLACEMENT STANDARD:
Cabinet Storage: 2 bedroom – 8' minimum; 3 bedroom – 10' minimum; 4 bedroom – 12' minimum.

SECTION VIII: ELECTRIC

NOTE: All electrical work requires permits from the Building Division.

ELECTRIC – SPECIALIZED CIRCUITS

REHABILITATION STANDARD: Rehabilitate existing devices to operate.

REPLACEMENT STANDARD:
Minimum Life: 15 Years
Kitchen receptacles within 6 feet of a sink, all bath receptacles and at least one exterior receptacle shall be protected by a GFCI. Arc fault receptacles shall be installed in all bedrooms, family, dinning, and living rooms, closets, hall walls, and recreation rooms per National Electric Code 2008.

ELECTRIC – KITCHEN ELECTRIC DISTRIBUTION

REHABILITATION STANDARD:
Minimum Life: 15 Years
Electric service may be supplied to trash compactors, microwave ovens, double ovens, range grills, and any appliance proposed for installation.

REPLACEMENT STANDARD:
Minimum Life: 15 Years
Permanently installed or proposed stoves, refrigerators, freezers, dishwashers and disposals, washer and dryers shall have separate circuits sized to N.E.C. Two separate 20 amp counter circuits are required with each kitchen area.

ELECTRIC – FIXTURES

REHABILITATION STANDARD: None

REPLACEMENT STANDARD:
Minimum Life: 20 Years
All halls, rooms necessary to cross to other rooms and stairways must be well lighted and controlled by a 3-way switch using concealed wiring. Attics must have utility fixtures. All fixtures shall be Energy Star. Replace all incandescent bulbs with fluorescent or LED bulbs. Exterior door lighting shall provide 100 lumens at ground level (motion detectors allowed). Garage doors shall be equipped with electric openers with laser safety devices. Bedrooms and living areas may receive Energy Star ceiling fans.

ELECTRIC – ALARMS

REHABILITATION STANDARD:
Minimum Life: 5 Year
Existing fire and smoke, CO shall be rehabilitated to operating condition. Security system may be rehabilitated as needed. Exterior doors shall be alarmed when pools are present.

REPLACEMENT STANDARD:
Minimum Life: 15 Years
Directly wired, battery back-up smoke detectors are required on each dwelling floor. Interconnected smoke detectors are required for special needs and wheelchair users' homes. CO detectors are required with all fuel burning furnaces. Security systems may be installed at 1st floor doors and windows when economically feasible.

ELECTRIC – INTERIOR DISTRIBUTION

REHABILITATION STANDARD: None

REPLACEMENT STANDARD:

Minimum Life: 20 Years
All rooms shall be rewired to the 2008 Edition of the National Electric Code using affordable fixture allowances and Energy Star fixtures. Minimum of one 20-amp circuit per room.

ELECTRIC – SERVICE AND PANEL

REHABILITATION STANDARD:
Minimum Life: 15 Years
Distribution panels shall have a main disconnect, at least 10 circuit breaker protected circuits, a 100-amp minimum capacity and be adequate to safely supply existing and proposed devices. Electrical panel shall be replaced if not properly grounded, to local codes. All panel upgrades require approval by Southern California Edison.

REPLACEMENT STANDARD:
Minimum Life: 20 Years

Single Family: 200-amp service with a 24-circuit panel is allowed for homes of up to 1,800 SF. Homes larger than 1,800 SF or all electric require 200 amp service with a main disconnect panel containing at least 30 circuit breaker positions.
Two-Four Family: 100-150-amp service to each unit with a main disconnect panel containing at least 20-24 circuit breaker positions. All panel upgrades require approval by Southern California Edison.

SECTION IX: PLUMBING SYSTEM

NOTE: All plumbing work requires permits from the Building Division.

PLUMBING SYSTEM – DRAIN, WASTE, VENT LINES

REPLACEMENT STANDARD:
Minimum Life: 20 Years
ABS replacement lines shall be installed in accordance with the most recently approved version of the State of Illinois plumbing code.

PLUMBING SYSTEM – PLUMBING FIXTURES

REHABILITATION STANDARD:
Minimum Life: 5 Years
All fixtures and faucets when replaced will be retrofitted with low flow aerators: kitchen faucets with a maximum flow rate of 2.0 gal/min; bath faucets with a maximum flow rate of 1.5 gal/min. Tub and shower valves shall have thermostatic or pressure balance valves.

REPLACEMENT STANDARD: California Water Sense
Minimum Life: 20 Years
Single lever, low flow, 2.0 gal/min kitchen and 1.6 gal/min bath, metal faucets and 2.5 gal/min maximum shower diverters with lifetime drip-free warranty. White ceramic, 1.1 GPF ultra low flow toilets, double bowl stainless steel or porcelain kitchen sinks, fiberglass tubs and surrounds and steel or porcelain enameled 5' tubs. Tub and shower valves shall have thermostatic or pressure balance valves.

PLUMBING SYSTEM – PLUMBING MINIMUM EQUIPMENT

REHABILITATION STANDARD: None

REPLACEMENT STANDARD:
Minimum Life: 10 Years
Every dwelling shall contain a double or single bowl kitchen sink, and a 3-piece bath.

PLUMBING SYSTEM – FIRE SPRINKLERS

REHABILITATION STANDARD: Rehabilitate all.

REPLACEMENT STANDARD: Required in homes for wheelchair bound populations when economically feasible.

PLUMBING SYSTEM – WATER HEATERS

REHABILITATION STANDARD:
Minimum Life: 5 Years
The minimum capacity for units with two bedrooms or less shall be 30 gallons, larger units shall have a minimum capacity of 40 gallons. Water heaters shall have pressure relief valves with drip legs that extend to within one foot of the exterior ground, in copper pipe. All water heaters shall have seismic strapping.

REPLACEMENT STANDARD:
Minimum Life: 12 Years
Energy Star, high efficiency, pilotless, Energy Star, gas fired or dual element electric (0.97) water heaters with at least R-7 insulation and a 12-year replacement warranty. 40 gallons electric for 1 and 2-bedroom units and 40 gallons gas or 52 gallons electric for 3- and 4-bedroom units. Install heat pump water heaters when feasible. All water heaters shall have seismic strapping.

PLUMBING SYSTEM – WATER SUPPLY

NOTE: No pipe, plumbing, fixture, fitting, or faucet intended to convey drinking or cooking water shall contain no more than .25 percent lead (AB 1953).

REHABILITATION STANDARD: 10 Years
Minimum Life:
All homes shall be tested to identify and eliminate all leaks. All fixtures must be supplied with 2 gallons per minute water flow and shut off valves must operate. Lead and galvanized pipe shall be replaced with copper, PVC or PEX, if local code allowed. All accessible hot water lines shall be insulated; maximum static pressure is 60 psi.

REPLACEMENT STANDARD:
Minimum Life: 20 Years
All fixtures shall have brass shut off valves. Exterior hose bibs with air gap are required.

SECTION X: HVAC

NOTE: All work requires permits from the Building Division.

HVAC – CHIMNEY/FIREPLACE REHABILITATION

REHABILITATION STANDARD:

Minimum Life: 20 Years
Unsound chimneys shall be rehabilitated or removed. When chimneys must be used for combustion ventilation, they shall be replaced.

REPLACEMENT STANDARD:
Minimum Life: 20 Years
Replacement furnace flues when required shall be metal double or triple walled as recommended by the equipment manufacturer.
If the service life of the chimney is comparable to service life of heating plant, then no replacement is necessary. If the chimney needs replacing or a new liner, the chimney will be eliminated and replaced with a high efficiency, power vented unit.

HVAC – DISTRIBUTION/VENTILATION SYSTEM

REHABILITATION STANDARD:
Minimum Life: 5 Year
Central air conditioning shall be inspected, serviced and refurbished per diagnostic testing of unit and distribution system – per (BPI) technical standards for air conditioning and heat pump specialist as described in Chapter 6 of the Saturn Mechanical Systems Field Guide, 2006. Must meet 2008 Title-24 Standards.

REPLACEMENT STANDARD:
Minimum Life: 20 Years
All ductwork shall be insulated to R-4, seams sealed with Mastic and run in conditioned space within the building envelope. Air leakage and ventilation may be brought into conformance to Chapter 4 of HPSWC. Must meet Title-24 Standards.

HVAC – CENTRAL EQUIPMENT

REHABILITATION STANDARD:
Minimum Life: 5 Years
Heating plants that are less than 5 years old and rated 65 AFUE efficiency or better shall be tested and tuned-upper BPI. Energy Star setback thermostats are required.

REPLACEMENT STANDARD:
Minimum Life: 20 years
Condensing gas furnaces rated over 86 AFUE and heat pumps over 13.5 SEER with 10-year warranty on parts and 5 years labor. Air to air heat exchangers are eligible for this program. HVAC system shall be sized to maintain 68ºF measured 36" off the floor when the outside temperature is 84ºF (the average yearly maximum), in all habitable and essential rooms. Interior design temperature used for heating and cooling load calculations per Title-24.

SECTION XI: SPECIAL CONSTRUCTION

SPECIAL CONSTRUCTION – ACCESSIBILITY FOR SPECIAL NEEDS CLIENTS

One of the following levels of accessibility shall be met dependent upon the clients' physical needs and financial resources:

Accessibility:

1. No-Step Entry;
2. Adequate Doorways; and
3. Usable Bathroom.

Usable Home: If requested by a physically disabled tenant, home shall meet this level of accessibility when funding is available:

1. Accessible Route into and through the Dwelling Unit;
2. Accessible Switches, Outlets & Controls;
3. Reinforced Walls for Grab Bar Installation;
4. Usable Kitchens; and
5. Ground Floor Bedroom.

Full Accessibility:

1. Wheelchair turning space in kitchen, bath and hall areas;
2. Doors – maximize space and lever hardware throughout;
3. Kitchen – accessible to wheelchair bound;
4. Bathroom fixtures per universal design standard;
5. Accessible controls in all areas; and
6. Communication devices in bath and at front and rear door.

SPECIAL CONSTRUCTION – LEAD SAFE REGULATIONS

REHABILITATION STANDARD / REPLACEMENT STANDARD
In all federally-funded projects, the City shall follow the requirements listed on the attached "Summary of Lead-Based Paint Requirements.

International Energy Conservation Code

1. All new construction work must also conform to the International Energy Conservation Code (IECC) and applicable state or local energy conservation codes.

2. Additionally, the City requires that all new building construction complies with the State of California Energy Code.

Section 504 and Fair Housing

1. Section 504 and Fair Housing rules impact the design of your project by setting standards for the appropriate number and characteristics of accessible units in your project. The applicability of these standards depends on the size and type of the project.

CONSTRUCTION PROCESS REQUIREMENTS

In addition to the requirements related to property standards discussed in Part I above, the City of Montebello HOME program has requirements that relate to the following aspects of the construction process itself:

1. Inspection protocols;
2. Screening contractors;
3. Construction Scheduling;
4. Pre-construction conferences: who is included, what is covered;
5. Processing and tracking payments;
6. Change order management and payment processes; and
7. Monitoring reports from partner organizations

INSPECTIONS AND SPECIFICATIONS

The City shall follow inspection procedures as described below to ensure that all work is being completed on time and within stated quality guidelines.

1. **Initial inspections**: establish scope of work and must be allotted sufficient time for interviewing the owner or others, delving into the properties functional characteristics, and to develop thorough, articulate scopes specific to the job inspected.

    a. The specifications must include detailed drawings and reference material as needed to fully explain all aspects of the scope, especially special conditions requiring unusual steps in the repair.

2. **Final approval of plans and specifications**: The City requires that plans and specifications are submitted for final review and approval. The following must be addressed prior to approval:

    a. The final plans and specifications must be consistent with the scope of work defined in the Recipient's agreement with the City.

    b. Note that advertisements for construction contract bids may not be published until plans and specifications for such contract have been unconditionally approved by the City.

c. Final construction cost estimates, including deductive alternatives, must be provided. Estimates for line item bids must include estimated quantities, unit costs, and total costs.

3. **Progress inspections:**

   a. The City and HUD requires that inspections be documented and include the signature of the inspector and the date.
   b. An inspection will determine if work completed corresponds to the work write-up, the construction contract, and the schedule before payment is made to the contractor;
   c. It may address a need for a change order and intervene in owner/contractor disputes in a rehabilitation project;
   d. It ensures that safety and security measures are being taken and that all necessary code inspections have occurred;
   e. It allows the inspector to view the project at key construction points.

4. **Timing of inspections:** The construction schedule will determine the expected times for progress inspections.

   a. Key points in the construction process would include inspections by qualified persons before work is concealed to determine that it is satisfactory and meets the work specifications and contract.
   b. An inspection should occur when reinforcing bars are installed; wiring, plumbing, and insulation are in place.
   c. An unscheduled inspection may reveal a great deal about work quality and progress, as well as answer concerns a property owner may have.
   d. It may be necessary when a dispute arises between the parties involved.

5. **Final inspection:** A final inspection must be made by the appropriate professional and work must pass this inspection before the retainage is released to the contractor.

6. **Logistics**: Upon substantial completion of the project, the City must confirm that a final inspection is requested.

   a. The City will schedule a final inspection to be attended by the owner, project administrator/consultant, contractor, and the City of Montebello Housing Inspector.
   b. Notice of this inspection must be scheduled with the City at least 3-5 days prior to the scheduled date.
   c. The final inspection shall consist of a field inspection to confirm that the project has been completed.

   The following documents must be available at the final inspection:

   a. Punch List(s);

b. Certificate(s) of Final Inspection; and
c. Release of Lien Form for each contractor
d. General items of discussion at the final inspection include
e. Acceptance of work by all parties;
f. Transfer of insurance coverage to the owner;
g. Utility considerations;
h. Establishment of warranty period; and
i. Final payment (Disbursed by the City of Montebello 30 days from a successfully completed Final Inspection.)

7. **Punch list and close out**: Although a few punch list items may be pending at the time of the final inspection, all major problems should be resolved and a Certificate of Final Inspection should be issued at this time.

   a. The City requires that the project inspector and architect, if applicable, conduct a pre-final inspection to ensure that a comprehensive punch list is developed and that the project will be substantially complete at the time of the City's Final Inspection.
   b. A schedule for completing these items should be negotiated with the contractor, and a corresponding percentage of the cost, plus retainage, should be held back until the punch list items are completed.
   c. If an architect was used, he or she will issue a notice of substantial completion.
   d. This notice verifies that the structure may be used for its intended purpose.
   e. The notice of substantial completion may be issued either before or after punch list items are completed, depending on the situation and the extent of remaining items. In all cases, the Certificate of Final Inspection must be signed by the City prior to release of final retainage payment.
   f. Even when an architect signs off on work, the city will conduct its own inspection to verify that work is complete and complies with programmatic and other federal requirements.
   g. The final inspection must be performed by the City of Montebello Economic Development staff.
   h. After completion of the punch list items, and (if appropriate) the architect's notice, the City should see that the contractor provides:
      i. Cost certifications;
      ii. Warranties of work performed;
      iii. Operations manuals (for furnaces and other systems);
      iv. Guarantees from manufacturers of materials and systems installed; and
      v. Release of liens by suppliers, all subcontractors, and the general contractor.
   i. No final payment will be made until all documents are received and lien releases are verified.
   j. An IDIS completion report must be completed to close out the project.

8. **Warranty inspection**: A one-year warranty period must be instituted for each contract completed to ensure that the workmanship and materials of the contractor(s) and

subcontractor(s) have been sufficient. Copies of warranties or a certification from the contractor that no warranties were issued for the project are to be kept in project files.

a. A final warranty inspection must be conducted by the City of Montebello staff eleven months after the initiation of the warranty period to finalize any adjustments needed to correct covered deficiencies.
b. Any such deficiencies shall be noted by the City or architect, if applicable, and provided to the contractor in writing and corrected.

EXHIBIT 9 – Timing and Purpose of Property Inspections	
When to Inspect:	**Purpose**
Preliminary – before work begins	✓ Check existing conditions against drawings (for new construction) or against work write up/approve specification; ✓ Review applicable codes and standards
During Construction	✓ Determine adequacy of work completed; ✓ Assess compliance with approved drawings or specifications; ✓ Assess completed work against construction schedule; ✓ Determine completed work that is eligible for payment; ✓ Resolve any disputes among parties.
Final	✓ Go over items in "punch list" to determine completion; ✓ Document compliance with codes and standards.
Warranty Inspection	✓ Assess workmanship and materials used; ✓ Document deficiencies

SCREENING CONTRACTORS: BIDDING AND CONTRACT AWARD PROCESS

The City of Montebello is expected pre-screen contractors and to use applications, bidding documents, agreements, and pre-bid/preconstruction conferences for screening contractors. In general, performance standards and consequences to meet them must be part of every construction program and must be covered in sufficient detail in bidding documents and the pre-construction conference. The City's specific requirements for the bidding and contract award process are detailed below:

Debarment and Suspension Policy (24 CFR 85.35).

The City of Montebello complies by the debarment and suspension policy pursuant to 24 CFR, 85.35 Part 5.

PROCEDURE

1. The City will verify that they and any or all persons, contractors, consultants, businesses, sub-recipients, etc., that are conducting business with the City are not presently debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction or in any proposal submitted in connection with the covered transaction.

2. The City will check the Excluded Parties Listing System, print and maintain evidence of the search results. In the event that the search results indicate, a prior or current debarment or suspension of the contractor, the City will include the printout in the application.

3. The City will certify that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any entity from a federally funded transaction. Any contractor that remains in a debarred or suspended condition will be prohibited from participation in the City of Montebello HOME Program as long as they are classified in this manner.

4. The City will **not** award any HOME Program funds to applicants that are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from the covered transaction.

The City takes the following steps to assure a contractor is qualified to work based on the California State Labor Board (CSLB) and the HUD debarment List:

    1. If the contractor is NOT on the debarment list, the City makes a copy of the Debarment List and encloses the list in the contractor package.

    2. If the contractor IS found on the debarment list, the contractor is disqualified further consideration.

1. **Advertisements for construction contract bids**. The City of Montebello policy requires publication of advertisement for bids in a newspaper of citywide circulation one time in at least one newspaper of greatest general circulation in the City of Montebello (Montebello Comet) or posting by electronic media.

PROCEDURE

a. The date of publication of the notice shall not be less than five (5) days nor more than 30 days before the date established for the receipt of bids.
b. In addition to citywide newspaper advertisement, the City may directly solicit prospective bidders and advertise in construction industry trade journals.
c. Note that advertisements may not be published until plans and specifications for such contract have been unconditionally approved by applicable agencies.

d. Additionally, wage determinations, if applicable, must be included as part of the contract documents for the project. The City requires to be contacted 10 days prior to the bid opening date.

2. **Interpretations of plans and specifications**. All questions regarding interpretation of the plans, specifications, drawings, and other contract documents should be addressed only to the design architect. Questions specific to the content of the Sample Bid Package for City of Montebello funded projects should also be addressed to:

   City of Montebello
   Attn: Planning & Community Devlopment
   Home & CDBG Division
   1600 W. Beverly Blvd., Montebello CA, 90640

   a. Any inquiry or other action requiring written interpretation or instruction from the architect that will modify the plans and specifications and affect bidders (e.g., modified wage determination, redesigns, etc.) must be done so by addendum.

NOTE: An addendum is written instruction issued prior to the opening of construction bids that modifies or interprets contract documents, drawings, and specifications by additions, deletions, clarifications, or corrections. All addenda must be approved by the City prior to issuance.

   b. An Addendum must be issued ***by certified mail at least five days prior to the date of bid opening***. Failure to attain approval may result in disallowance of affected costs.

3. **Receipt of all sealed bids** will be documented by date and time of receipt and the name of the submitting contractor. Bids received after the established deadline shall not be accepted.

4. **Bids in excess of project budget**. If the lowest base bid exceeds the amount of funds appropriated for project budget, then the application of deductive alternatives in numerical order will commence until the bid is within the appropriated amount.

5. **Apparent low bidder.** Once the apparent low bidder is identified, the City will determine if he/she is responsible.

   NOTE: All prime contractors are responsible for ensuring that the subcontractors they employ are not debarred or suspended.

6. **Notification of bid award.** Once the apparent lowest responsive, responsible bidder(s) for each contract(s) is determined, the City will notify all bidders whether or not they were successful.

a. Successful bidders must be notified of acceptance of their bid within the time frame specified in the contract documents.
b. Such notification shall be made through issuance of a Notice of Award which requests the contractor to provide acceptable payment and performance bond(s) and certificates of insurance within 10 calendar days.
c. Upon reception of these documents, the City must determine if:

7. The contractor has **sufficient bonding and insurance**. The insured amounts must be consistent with requirements of state law as specified in the contract documents, e.g., 100 percent payment and 100 percent performance bond(s) coverage and sufficient liability coverage amounts.

d. Contracts must be awarded within the time frame specified in the contract documents.
e. If the contract has not been awarded within 90 days of bid opening, the Recipient must notify the City's Planning and Development Department to determine if the wage determination (if applicable) is still valid. Any applicable modified or superseded wage determinations will apply to the project.

Note: Licensing and underwriting limitations of insurance companies in the State of California can be checked by referencing U.S. Department of the Treasury, Circular 570 Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies as updated in the Federal Register.

8. **Post award requirements.** After all contract documents have been executed and sufficient bonding and insurance is confirmed, a fully executed set of contract documents must be submitted by the City of Montebello.

Pre-construction Conferences

A pre-construction conference can be valuable in providing direction to the parties involved and prevent potential misunderstandings.

PROCEDURE

1. The HOME Program Consultant or Housing Analyst shall coordinate scheduling the preconstruction conference with all applicable parties.

2. At a minimum, the City shall give 10 days' notice to persons who must attend the preconstruction conference, including:

a. City representative, if applicable
b. Executive Director of nonprofit entity, if applicable;
c. Developer/Owner,
d. Prime Contractors;

e. If applicable, the architect (especially the person representing the firm and the resident observer);

3. The preconstruction conference will be conducted in accordance with a Preconstruction Agenda and Report.

4. Signed copies of the report, with an attached attendance list, must be distributed to each of the parties identified above within five calendar days of the conference.

5. Location of the conference:

Working with Contractors

PROCEDURE

The HOME Program Consultant or Senior Management Analyst will:

1. Retain a qualified person in charge of the work who understands the business and the constraints faced by those in the building trades.
2. Clearly inform contractors about work expectations, program requirements as they impact the project, about the payment process, and seek their feedback after project completion.
   a. Timing of a pre-construction conference will take place after an Environmental Review and Release of Funds (ROF) have been completed, and
3. Distribute communicate of the project to all team members on his or her role and responsibilities;
4. Identify deadlines and critical phases of the work;
5. Review the scope of work and schedule to prevent future problems;
6. Explain basic operating procedures, including reports, meetings and other communications required and expected during construction;
7. Review applicable programmatic and federal requirements, such as Davis-Bacon, labor standards, and Lead Safe Housing Rules;
8. Review procedures for:
   a. Inspections – when they must occur and who initiates them;
   b. Warranties – copies of warranties or a certification from the contractor that no warranties were issued for the project shall be kept in project files;
   c. Payment requests – when they should be submitted, who receives them, what they must include, when payment will be made if satisfactory;
   d. Change orders – the process for requesting one; what would/ would not be considered in weighing the request;
   e. Lien releases – the process and who is involved;
   f. Monitoring of progress and reporting;
   g. Dispute resolution; and
   h. Closing out the project.

9. Review the construction contract and ensure all parties have read, understood, and signed it;
10. Confirm that subcontractors' names, addresses, and phone numbers are accurately listed;
11. For occupied structures:
    a. Discuss the handling of service shut-offs and restricting access to bathrooms, kitchens, etc. during lead-paint work as well as other relevant rehabilitation work;
    b. Define moving and relocation roles and schedules; and
    c. Review/discuss safety and security measures during construction.
12. At the conclusion of the pre-construction conference and after the contractor has executed the construction contract, the City will issue a notice to proceed with work.
13. Construction should commence no later than 10 days after receipt of this Notice.

Construction Schedule

PROCEDURES

The HOME Program Consultant and/or the Senior Management Analyst will:

1. Maintain access to many information sources and have an understanding of construction methods, trades involved, and the sequence of tasks that must occur;
2. Retain knowledge of:

    a. The building materials required for the project, ordering and delivery methods and protocols;
    b. The various applicable building codes and standards.
    c. Anticipate the key points at which an inspection is required;
    d. Determine how weather variations can impact construction progress;
    e. Understand each development team member's roles and responsibilities; and
    f. Understand the development budget;
    g. costs can be paid from each source;
    h. When funds are available;
    i. How to request payment (including the form that will be used to request payments and the documentation to be provided.);
    j. Document each step in the process and list them sequentially, recognizing that some steps must occur simultaneously.

Timeliness and the Construction Schedule

PROCEDURE

1. Assure that construction will starts within twelve months from the date of property or land acquisition;

2. Assure that funds will be expended within the required five-year timeframe of the allocation;
3. Maintain a construction schedule that is realistic – and enforceable.
4. If a project is behind schedule, the City may attempt one of the following options:
   a. Eliminate or redesign the critical path activities (which may reduce the scope of the project);
   b. Rearrange critical path activities so that some are performed simultaneously; or
   c. Reduce the duration of critical activities (if the critical path is shortened, other activity paths through the network may become critical.)
   d. If none of these options can be accomplished, the project completion date must be adjusted; this will most likely have cost or timeliness ramifications and is highly undesirable.
5. Comply with timelines in the construction schedule to avoid severe consequences to the project:
6. Ensure that timelines are met, or that there is ample recourse to pursue if they are not, schedules must be enforceable including:
   a. Reference the schedule in the written agreement between the City and the developer;
   b. Reference the schedule in the contract with the general contractor and all subcontracts;
   c. Reference it in the architect's contract.
7. Cover the schedule and stress its importance during the pre-construction conference.

Change Orders

PROCEDURE

1. Any changes to construction documents must be reviewed and approved by the City.
2. Contractors must submit change orders when there is:
   a. A change to the project design or work specification;
   b. An alteration, addition, or deletion to the approved scope of work;
   c. An addition or change to the work schedule; or
   d. A change in cost for any reason.
3. Change orders must be written and address its completeness and appropriateness and its effect on budget, timeframe to the City.
4. The City requires that a Written Change Order is submitted any time that contract documents are changed, including additions, deletions, modifications, and time extensions after bid opening.
5. In addition, all change orders must be reviewed and approved by the City prior to issuance.
6. Changes that have no cost implications (or reductions in costs) require a change order.
7. Change orders will be evaluated for their impact on the project cost, schedule, and scope of work before they are approved by the City.

Managing Payments

PROCEDURE

1. Payments will be reviewed by:
   a. The City, the property owner and the contractor prior to signing a rehabilitation contract;
   b. The developer and contractor for smaller, uncomplicated new construction projects at the pre-construction conference; or
   c. The entire development team for larger new construction projects at the pre-construction conference.
2. For all projects, a portion of all payments will be retained at 10 - 15 percent until 30 days after completion of the work or satisfactory completion of the final punch list items.
3. The draw schedule will include in the overall construction schedule to establish clear expectations for when the contractor may request and can expect payments.
4. Payment requests for housing rehabilitation projects will be submitted to the City by the general contractor at the completion of each stage of the schedule.
5. Payment requests will be provided to the City's Program Staff or Program Consultant, and the property owner.
6. The property owner will sign off on the request before the City processes it.
7. For new construction projects, the developer assembles the draw requests for both hard and soft costs from the general contractor and other professionals involved in the project. The invoice should include:
   a. Total budget obligated;
   b. Amount of previous payments received to date;
   c. Cost for materials stored;
   d. Costs incurred during the particular pay period;
   e. Total costs incurred to date (includes previous and current expenses);
   f. Percentage of work completed to date:
   g. Remaining budget; and
   h. Amount of payment retained until project completion.
   i. No payment should be made when there have been changes to the original contract or scope of work without approval of a relevant change order.
8. All payment request documentation will be logged in as soon as it is received and recorded as soon as it is released.
9. The City's Planning and Community Development Director and Finance Department will review payment requests and approve them.
10. The documentation that must accompany a payment request, includes:
    a. For all projects, an inspection report that supports satisfactory completion of work according to the work write-up, specifications, and/or construction schedule;
    b. Lien waivers as appropriate;
    c. If needed, approved change orders;
    d. For projects subject to Davis-Bacon requirements, signed certifications that demonstrate compliance.
    e. Once a payment request has been approved by the City, it should be paid promptly in accordance with the agreed-upon schedule.

f. If payment delays occur from participating in public programs and if payment is delayed according to the construction schedule (through no fault of the contractor), the contractor is allowed to stop work.

11. Final payment and release of retainage less any liquidated damages shall be made to the contractor after:
    a. Final inspection is completed;
    b. A Certificate of Final Inspection is signed;
    c. Certificate of Plumbing, Certificate of Electrical, Certificate of HVAC are signed;
    d. Release of Liens are received, if applicable;
    e. Receipt of copies of warranties or a certification from the contractor that no warranties were issued for the project;
    f. All punch list items are resolved; and
    g. Final payrolls and equal employment opportunity data are accepted by the City, if applicable.
12. Contingency funds may be set aside for a project for which there is no known specific use at the beginning for unforeseen problems that may require funds.
    a. These funds may not be drawn or expended unless an appropriate written change order is executed.
    b. Funding must be established at the beginning or project for unforeseen circumstances.
    c. Set up is allowed but only work performed and documented through written change orders is paid.

Periodic Reporting

PROCEDURE

1. During the construction period, the City's HOME Program Consultant or Senior Management Analyst will require periodic status reports from partners such as contractors, private developers, and property owners.
2. The City will maintain a reporting system to track progress of meeting larger program goals, as well as tracking progress for individual projects.

    a. The City's reporting system includes:
    b. milestones that need to be measured in the construction process and the draws against the contract;
    c. When the milestones need to be measured (e.g., the critical points in a housing rehabilitation or development project); and
    d. Measure and review the milestones.

3. Request essential information to track including:

    a. Performance milestones in the construction schedule or written agreement; or
    b. Required documentation for IDIS or the CAPER reporting.

c. Provide clear, detailed report forms and instructions to those responsible for initiating the report.

4. Take immediate action if reports are late, inaccurate, or incomplete.
5. Inform partners that the information provided in reports is useful for:

   a. Preparing reports for City of Montebello;
   b. Identify performance and timeliness issues early;
   c. Plan on-site monitoring visits;
   d. Making future funding decisions; and
   e. Developing descriptions of projects for elected officials and citizens.

6. Measure progress in individual projects; or
7. Compare progress in similar projects to identify slower performers and take further action.
8. Examine funding requests to evaluate the fiscal aspects of performance against the construction schedule or written agreement.
9. Identify any missed milestones and which projects have or may put the City at risk of failing to meet timeliness requirements in the HOME program.

Exhibit 10
Rehabilitation of Owner-Occupied Progress Reporting

What to Track	How Often to report	How to Analyze information
Date of application	At application	Look for demand (or lack) by targeted population
Date of requested income verifications; date received	When requested	Check for follow up activity if not received
Date of proof of ownership established	At time of proof	Check for determination of eligibility for assistance
Date of initial inspection	At time of initial inspection	Look for "fail" items and LBP
Date, name of contractor selected	At time of selection	Check for compliance with City's approved system
Date of Pre-construction conference	At time of conference	Look for subjects covered, who were present, notes taken
Date of Proceed Order	At time of order	Check against approved procedures
Date of initial progress Inspection	At time of inspection	Note items passed or failed
Pass/fail items in inspection	Same as above	Note for payment requests or change orders
Date of initial payment request; subsequent payments requested	Date of requests	Check for adequate documentation to support request

Date payments made	Date payments made	Check for time elapsed; is it late or on time
Date of final inspection	Date of inspection	Check against inspector's report of satisfactory work
Punch list items completed	Date of punch list	Check for completed work
Final release of liens received	Release date	Look for presence of all releases
Final payment	Date of payment	Check for timing; adequate documentation
Project closed	Date of close-out	Check for completion report and Interim reports in IDIS

Grievances Between Participants and Construction Contractor

Contracts signed by the contractor and the participant include the following clause, which provides a procedure for resolution of grievances:

Any controversy arising out of or relating to this Contract, or breach thereof, shall be submitted to binding arbitration in accordance with the provisions of the California Arbitration Law, Code of Civil Procedure 1280 et seq., and the Rules of the American Arbitration Association. The arbitrator shall have the final authority to order work performed, to order the payment from one party to another, and to order who shall bear the costs of arbitration. Costs to initiate arbitration shall be paid by the party seeking arbitration. Notwithstanding, the party prevailing in any arbitration proceeding shall be entitled to recover from the other all attorney's fees and costs of arbitration.

Environmental Requirements and Procedures

OVERVIEW

The purpose of this chapter is to provide guidance on the environmental review process required under federal HOME regulations. These regulations (24 CFR §92.352) require a formal assessment of possible environmental effects for each activity carried out with HOME funds. This assessment must be done according to requirements found in 24 CFR Part 58. This chapter provides current rule requirements and clarifies review responsibilities of the City of Montebello, and Community Housing Development Organizations (CHDOs), with regard to the environmental review process.

The U.S. Department of Housing & Urban Development (HUD) places restrictions on project activities in accordance with 24 CFR §58.22, *Limitations on activities pending clearance*. Completion of the environmental review process is mandatory *before* taking physical action on a site or making a commitment or expenditure of HOME *or* non-HOME funds for property acquisition (purchase), rehabilitation, conversion, lease, repair, or construction activities. "Non-HOME funds" means *any* Federal, state, local, private, or other funds.

Since funds for a project will not be released until the environmental review has been completed and approved, the City will begin the environmental review process at the earliest possible time so that potential conflicts between program procedures and environmental requirements are identified at an early stage.

The Environmental Checklist in the Uniform Application submitted, as part of a competitive HOME grant application does ***not*** meet HUD requirements for an environmental review. The purpose of the checklist is to assist the City to initially evaluate environmental circumstances that may affect the proposed project and to raise awareness of possible problems if the grant is awarded.

This chapter details the HUD environmental review rules and related Federal laws and authorities that are applicable to all projects and activities receiving HOME assistance. It describes:

1. The roles and responsibilities of the City of Montebello and its Recipients, who have the primary responsibility for conducting environmental reviews;

2. The role of CHDO's and nonprofit organizations as project partners in the environmental review process;

3. The primary procedures and operating principles that guide the environmental review process; and

4. The categories of environmental review that are required for various HOME funded activities and projects.

Roles and Responsibilities of City of Montebello

As outlined in 24 CFR Part 58, units of local government are required to assume Federal environmental review responsibilities for compliance with the National Environmental Policy Act (NEPA), and related Federal laws and authorities. HUD's environmental review regulations identify states and units of general local government as the "responsible entity" (RE) ---those entities having legal authority to assume this role because they exercise control over planning, permitting, and supplying infrastructure to support HUD-assisted projects for their jurisdictions. For the HOME Program, the City receives a formula allocation of HOME funds directly from HUD. In addition, through a written agreement with the City of Montebello, assumes responsibility for compliance with NEPA and Part 58.

In cases where the City of Montebello does not have the technical capacity or administrative capability (§ 58.12) to assume the role of RE or an applicant (e.g., CHDO, or nonprofit or for profit organization) has applied directly to the City for HOME grant assistance, then the City of Montebello will take on this role of RE. In most cases the City of Montebello assumes the RE role.

In the role of responsible entity (RE), the City not only assumes the responsibility for environmental review, decision-making, documentation, and mitigation (if necessary), but also the legal

responsibility for compliance with NEPA and all other applicable laws, regulations, and authorizations.

Whenever Recipients have assumed the role of RE, then the City is responsible for overseeing compliance with HUD's environmental review procedures, as well as providing assistance to those Recipients in meeting their compliance responsibilities under Part 58. The City's role in this capacity is to conduct post-review monitoring of the Recipient's Environmental Review Records (ERR); enforcing violations of Part 58; receiving certifications of compliance from the Recipients; accepting objections from the public or other agencies; and other responsibilities related to the release of funds process (§ 58.18 and Subpart H).

When the City assumes the role of RE, then HUD performs the oversight responsibilities described in the paragraph above (24 CFR 58, Subpart H).

A. Environmental Review Process

The City must ensure that activities or projects that are funded by HOME assistance, in total or in part, are in compliance with NEPA and Part 58 requirements. This means creating a written environmental review record (ERR) for every activity and project regardless of the level of review (§ 58.38). Later in this chapter, more details will be provided as to the appropriate levels of environmental review for every type of HOME assisted activity or project.

The ERR is a type of "environmental diary" that the City uses to substantiate its decisions and conclusions concerning protection and enhancement of the environment as a result of approving the project. Keeping good records and having complete documentation is necessary to fulfill the City's environmental review obligations. This is a public record. Legal challenges to a project's environmental compliance may be won or lost over how complete or incomplete the City's ERR documentation is; therefore, this administrative record is important.

The City of Montebello will periodically monitor the content of the environmental records to determine whether corrective actions or sanctions are necessary. In addition, the HUD Field Office will conduct a monitoring review of the City's project ERRs.

The City is required to maintain technical capacity and administrative capability to ensure compliance with NEPA and Part 58 is achieved (§ 58.12). With regard to technical capacity, the City staff needs to have sufficient knowledge of the Federal laws and authorities, as well as an understanding of Part 58 requirements in order to make informed decisions about whether:

1. The appropriate level of review has been completed;
2. Compliance with NEPA and Federal laws and authorities has been achieved;

3. The public notification requirements have been met (if required); and
4. When HUD approval is necessary.

This is true whether environmental reviews are completed by City staff, prepared by program partners, or a consultant is hired to perform the review. The City is still responsible for the content of the ERR and must make an independent evaluation of the environmental issues, take responsibility for scope and content of the compliance findings, and make the final environmental decision concerning project approval.

With regard to administrative capability, City staff should have sufficient knowledge about the Part 58 procedures to understand when funds may be committed and spent, the time periods for the public notification and release of funds process, and the minimum content of the ERR.

B. Environmental Decision-Making

For purposes of compliance with NEPA and Part 58, the chief executive officer of the City, or its formal designee, is the certifying officer (CO) (§ 288 of the Act). The certifying officer is recognized as the "responsible Federal official under NEPA" (§ 58.13, 40 CFR 1508.12) and, therefore, the decision-maker as to whether a project is approved or rejected on the basis of the environmental review findings. This is a Federal legal responsibility. As such, if someone other than the chief executive officer for the City is designated to fulfill this role, HUD requires there be a formal designation by the governing body identifying this officer.

The CO represents the City in Federal court if there is legal challenge to the content of the environmental review record and the City's decision based upon that record [§ 58.13(a)].

The CO is also the only person with the legal authority to sign the Request for Release of Funds and Certification (HUD form 7015.15.).

Other responsibilities required of the certifying officer are:

1. To ensure that the City reviews and comments on all EIS document prepared for Federal projects that may have an impact on the City of Montebello HOME program [§ 58.13(b)];
2. Making health and safety decisions related to whether or not to approve residential construction projects that are exposed to high levels or noise from major roadways, railroads, and/or military or civilian airports [HUD regulation on Noise Abatement and Control, 24 CFR 51.104(a)(2) and (b)(2)]; and
3. Making health and safety decisions related to the construction, rehabilitation, or conversion of buildings exposed to blast overpressure or thermal radiation from aboveground storage tanks within line-of-site

of the project (HUD regulation on placement of HUD- assisted projects in the vicinity of explosive or flammable operations, 24 CFR 51.206.).

C. Environmental Action

The City of Montebello is also responsible for ensuring that any environmental conditions or safeguards resulting from completion and approval of the environmental review document are implemented. With that, the City has developed a monitoring plan to ensure conditions that are identified as necessary for protecting and enhancing environmental quality or minimizing adverse environmental impacts are included in agreements or other relevant documents, and implemented during completion of the project.

In addition, the City must re-evaluate its environmental findings and decision if:

1. Substantial changes in the nature, magnitude, or extent of the project are proposed by the project proponent (e.g., new activities not anticipated in the original project scope);
2. New circumstances and environmental conditions arise that were not previously considered or evaluated for effect (e. g, conditions discovered during implementation of the project, such as archeological resources, asbestos containing materials, endangered species, underground storage tanks, dry wells, etc.); or
3. The project proponent proposes selection of an alternative not previously considered.

Upon re-evaluating its original findings and conclusions, the City must decide whether or not its original determination is still valid, or that a new environmental review document must be prepared instead. If the original findings are still valid, document this in the ERR in writing.

Role of CHDO's and Nonprofit Organizations as Project Partners

Any other individuals and entities that utilize HOME program assistance fall into the category of project *participants* with regard to compliance with Part 58 (§ 58.22). This includes CHDOs, public or private nonprofit or for-profit entities, contractors, and individual borrowers receiving HOME grants and loans.

These partners must:

1. Not acquire, repair, rehabilitate, convert, demolish, or lease properties or undertaking construction prior to receiving approval from the City of Montebello;

2. Not commit non-HUD funds to project activities that would have an adverse environmental impact or limit the choice of project alternatives;
3. Carry out any mitigation and/or conditions associated with approval of the project;
4. Provide the City with information about the project.

The City may require by executed agreement that CHDOs or developers supply available, relevant information necessary for the City to perform the environmental compliance review. This could mean:

1. The CHDO or developer submits certain types of information to the City, or
2. The CHDO or developer prepares the environmental compliance review for submission to the City for its review and adoption, or
3. The CHDO or developer may decide to hire a consultant to prepare the environmental review for the City's review and adoption.

D. Environmental Review Procedures

Actions Triggering the Requirements of Part 58

Once a project participant (i.e., CHDO's, developers, owners, sponsors of housing, and third-party contractors) has submitted an application for HOME funds to the City or the City has designated funds for a specific project in its Consolidated Plan or Annual Action Plan ("AAP"), Part 58 requirements are applicable to the project. At this point, the City *must* request the participant to:

1. Cease all project activity until the environmental review (ER) has been completed. Part 58 prohibits further project activities and actions from being undertaken prior to completion of the ER and the determination of environmental clearance. Projects in violation of this prohibition risk the denial of HOME funds.

   Where a project participant has begun a project in good faith as a private project, the City is not precluded from considering a later application for Federal assistance for the project, but must request the third-party applicant to:

2. Cease further actions on the project until the environmental review process is completed. Project participants may proceed with the project upon receiving approval from the City, after the environmental review process has been completed for the project.

   There are certain kinds of activities that may be undertaken without risking a violation of requirements of Part 58. For example, the act of either hiring a consultant to prepare a Phase I Environmental Site Assessment (an investigative

study for environmental hazards) or hiring a consultant to complete an engineering design study or plan, or a study of soil and geological conditions.

Activities that have physical impacts or which limit the choice of alternatives cannot be undertaken, even with the project participant's own funds, prior to obtaining environmental clearance to use HUD funds. This process may include public notification and approval from HUD. If prohibited activities are undertaken prior to receiving approval from the City, the applicant is at risk for the denial of HOME assistance. Such actions include:

1. Purchasing real estate;
2. Demolishing structures or buildings;
3. Excavating or dredging soils;
4. Placing fill dirt on the site;
5. Rehabilitation or converting a new building; and
6. New construction.

NOTE: Undertaking any of these actions interfere with the City's ability to comply with NEPA and Part 58. If prohibited actions are taken prior to environmental clearance, then environmental impacts may have occurred in violation of the Federal laws and authorities and the standard review procedures that ensure compliance. Below is further discussion of issue under the heading, "Limitations Pending Environmental Clearance."

Limitations Pending Environmental Clearance

According to the NEPA (40 CFR 1500-1508) and Part 58, the City is required to ensure that environmental information is available before decisions are made and before actions are taken. The City may not commit or expend resources, either public or private funds (HUD, other Federal, or non-Federal funds), or execute a legally binding agreement for property acquisition, rehabilitation, conversion, repair or construction pertaining to a specific site until environmental clearance has been achieved. In other words, the City must avoid any and all actions that would preclude the selection of alternative choices before a final decision is made---that decision being based upon an understanding of the environmental consequences, and actions that can protect, restore, and enhance the human environment (i.e., the natural, physical, social, and economic environment.)

In order to achieve this objective, Part 58 prohibits the commitment of HOME funds by the City of Montebello until the environmental review process has been completed by the City and HUD approves the release of funds.

NOTE: until the City has completed the environmental review process (including receipt of HUD approval), neither the City nor project participant may commit non-HUD funds or

undertake an activity if that action would have an adverse environmental impact or limit the choice of reasonable alternatives.

For the purposes of the environmental review process, "commitment of funds" includes:

1. Execution of a legally binding agreement;
2. Expenditure of HOME funds;
3. Use of non-HUD funds on actions that would have an adverse impact - e.g., demolition, dredging, filling, excavating; and
4. Use of non-HUD funds on actions that would be "choice limiting"-e.g., acquisition of real property; leasing property; rehabilitation, demolition, construction of buildings or structures; relocating buildings or structures, conversion of land or buildings/structures.

NOTE: The standard for what constitutes a commitment of HOME funds for compliance with Part 58 is different from the HOME funds commitment and the CHDO reservation deadlines applicable under the HOME Program regulations in 24 CFR Part 92.

Prior to completion of the environmental review process and receiving HUD approval, the City may enter into a non-binding agreement to conditionally commit HOME funds---i.e., a contractual agreement between the City and project participant to use a specific amount of HOME funds to produce affordable housing, or an executed written agreement reserving a specific amount of funds to a CHDO. The conditional commitment must incorporate language that will ensure the project participant does not have a legal claim to any amount of HOME funds to be used for the specific project or site until the environmental review process is satisfactorily completed. In addition, the agreement must explicitly state that the agreement to provide funds to the project is conditioned on the City's determination to proceed with, modify, or cancel the project based on the results of a subsequent environmental review. (See CPD Notice 01-11, page 10 for suggested agreement language.)

Other types of actions that are not considered a commitment of funds for purposes of Part 58 compliance are statements of funding reservation, e.g., approval of Consolidated Plan or Annual Action Plan or planning for and reserving non-HUD funds, including tax credits for the project for HUD funding.

If the City is considering an application from a prospective participant and is aware that the participant is about to take an action within the jurisdiction that is prohibited by Part 58, then the City must take appropriate action to ensure that its objectives and procedures of NEPA and Part 58 are achieved [§ 58.22(c)].

The City of Montebello has established internal controls to enforce compliance with NEPA and Part 58.

"CONTEMPLATE" AND "COMMITMENT" DEFINITION FOR THE ENVIRONMENTAL REVIEW

Once the City *contemplates* assisting a project or activity with HUD funds, (§ 58.32), neither HUD funds nor non-HUD funds may be *committed* (§ 58.22) until compliance with Part 58 has been achieved and documented. The following guidance is provided to clarify the meaning of the terms *contemplate* and *commitment* as these apply to the environmental review process.

Contemplated HUD assisted action:

1. The City is considering an application from a prospective owner or beneficiary.
2. The City has identified a specific activity or project in its application.

Commitment of funds:

1. Execution of a legally binding agreement—e.g., awarding construction contracts, entering into project agreements with developer, etc.
2. Expenditure of HUD funds—e.g., purchase of materials by a force account crew, hiring a consultant to prepare a Phase I Environmental Site Assessment, etc.
3. Use of HUD funds or non-HUD funds on "choice limiting actions":

    a. Actions having an adverse impact-e.g., demolition, dredging, filling, excavation.
    b. Actions limiting the choice of reasonable alternatives---e.g., real property acquisition, leasing, rehabilitation, demolition, related site improvements, relocating buildings or structures, conversion of land or buildings/structures.

A commitment of funds ***is not:***

1. Statements of funding reservation---e.g., approval of an application, CHDO reservations, planning for and reservation of non-HUD funds (including tax credits for the project for HUD funding.)

2. Non-legally binding agreements---e.g. An agreement with language such as, "Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by Recipient's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review.

AGGREGATION OF PROJECT ACTIVITIES

To determine the appropriate level of environmental review for a project, the City must group together (aggregate) all related project activities, whether or not the project is funded entirely by HOME funds, or only certain portions of the project will be funded by HOME funds. An environmental review must evaluate all activities that are geographically or functionally related, or part of a multi-year project. The appropriate level of environmental review for an aggregated project will be determined by whichever activity or activities being undertaken by the City or its partners will have the greatest environmental impact. For example, real property acquisition will have less of a physical impact on the human environment than newly constructing 30 units of affordable housing.

Geographically related project activities, for example, might include a proposal to acquire four units for rehabilitation and resale to first time homebuyers. All the related activities are occurring on a single site. In aggregation, all these activities must be evaluated in a single review, regardless of the fact that HOME funds may only be used for rehabilitation. One activity cannot occur without the others, and therefore all the associated environmental impacts must be evaluated together. The environmental review for the acquisition of the properties cannot be separated from the environmental review for the rehabilitation of the properties.

Multi-year aggregation is a process that addresses phased project activities. For instance, consider a three-year project, during which, real property will be acquired in the first year, infrastructure improvements will be installed in years two and three, along with several phases of affordable housing construction. Again, a single environmental review must be completed for all phases of the project before any of the activities may be undertaken. Only one request for release of funds (covering all project phases) needs to be submitted to HUD for approval. After HUD approval is received, no other approval or environmental action is required, unless circumstances arise that require the City to re-evaluate its original environmental findings.

SOURCE DOCUMENTATION FOR ENVIRONMENTAL REVIEWS

FIELD OBSERVATION – A visit to the project site to make observations of the general site conditions.

1. There should be written documentation of the conditions observed.
2. Include the name and title of the observer and the date of the site visit.

PERSONAL CONTACT – Personal contacts are useful only when the individual contacted is an accepted authority on the subject or subjects. Documentation should include:

1. The name and title of the person contacted,
2. The date of the conversation, and brief notes of the key points.

3. Whenever the person that was contacted cites reports, records, or other document, the title, date, and source of the report should be noted.
4. Contacts can include staff experienced in a particular area (e.g., engineer, planner, historian, etc.).

PRINTED MATERIALS – Printed materials that are useful sources of detailed information may include:

1. Comprehensive land use plans, maps, statistical surveys, and studies are useful sources of detailed information.
2. The material must be current and reflect accepted methodologies.
3. Complete citations for all material must be included.

REVIEWER'S EXPERIENCE – Professional judgment by City staff is acceptable if their expertise is relevant to the compliance issue. For example, a reviewer's knowledge may include:

1. Reviewing previous projects in the same area.
2. Professional finding of the reviewer in subjects where he or she has the background to make judgments about a specific factor, or
3. Reviewers that have the expertise to evaluate soil conditions, while others will need to consult an engineer or other specialist.

SPECIAL STUDY – This is a study conducted for a particular project performed by qualified personnel using accepted methodologies. Some tests are relatively simple to perform but others may require elaborate equipment or personnel with additional expertise. The reviewer is responsible for obtaining assistance from others in order to have the appropriate tests or studies conducted. Examples of tests and/or studies include:

1. Archeological reconnaissance surveys,
2. biological assessment concerning threatened and endangered species, or
3. Phase I Site Assessments to determine site contamination.

Sources of Compliance Documentation

There are several types of resources necessary to demonstrating compliance with NEPA and the Federal laws and authorities. These resources provide written documentation in the environmental review record that is credible, traceable, and supportive of the conclusions reached by the RE.

E. Categories of Environmental Review

One of the primary purposes that the environmental review process serves is to require the City to include environmental impacts as part of the overall deliberation process surrounding proposed projects.

The HUD environmental review requirements at Part 58 were written so as to best strike a balance between the imposition of reasonable requirements upon the City (i.e., expediting the decision process for activities that clearly have no physical impact and requiring sufficient analysis for those that will alter environmental conditions), while ensuring that project decisions are well-documented.

Therefore, the environmental review requirements are divided on the basis of the level of impact that a proposed project might be anticipated.

There are four (4) levels of environmental review identified in Part 58. The criteria for these levels span the range of possible impacts, from none whatsoever to significant physical impact. The levels under Part 58 include:

1. Exempt (§ 58.34);
2. A. Categorically Excluded *subject* to (§ 58.35);
   B. Categorically Excluded *not* subject to § 58.5
3. Environmental Assessment (§ 58.36 and Subpart E); and
4. Environmental Impact Statement (§ 58.37 and Subparts F and G).

NEPA and the implementing regulations at 40 CFR 1500-1508 establish direction for these review levels. The bases for these review levels, and categorizing various HOME-funded activities into the review levels is to determine if there is potential to cause significant impact on the human environment (i.e., natural resources, ecosystems, aesthetic, historic, cultural, social, economic, health, etc.).

1. Exempt

HUD has determined that exempt activities will have neither a physical impact, nor potential for altering any environmental conditions. Therefore, these actions are exempt from compliance with NEPA and the Federal laws and authorities cited at § 58.5.

According to 24 CFR 58.34, the following types of activities have been categorized as exempt from NEPA and other environmental laws and authorities:

a. Environmental and other studies, resource identification, and the development of plans and strategies;
b. Information and financial services;
c. Administrative and management activities;
d. Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment,

crime prevention, child care, health, drug abuse, education, counseling, energy conservation, and welfare or recreation needs;

e. Inspections and testing of properties for hazards or defects;
f. Purchase of insurance;
g. Engineering or design costs;
h. Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threat to public safety including those resulting from physical deterioration; and
i. Any of the categorical exclusions listed in § 58.35(a) provided there are no circumstances that require compliance with any other Federal laws and authorities cited in § 58.5.

NOTE: Under HOME program rules, 24 CFR 92, in order to qualify as project costs, these activities must be associated with a specific project. Otherwise, they are considered administrative costs.

Content of ERR – Exempt Activities

1. The City must document in writing its determination that an activity meets the conditions for exemption. The City does not have to issue a public notice or request release of funds (RROF) [§ 58.34(b)].

2. In addition to making a written determination of exemption, the City must also determine whether the activity triggers any of the other requirements at 24 CFR 58.6, which are the Flood Disaster Protection Act; the Coastal Barriers Resources Act; and HUD's requirement for disclosure of properties located in airport runway clear zones.

2. Categorical Exclusions

This term refers to a category of actions that do not individually or cumulatively have potential for significant effect on the human environment (40 CFR 1508.4). Therefore, neither an environmental assessment (EA) nor environmental impact statement (EIS) is required to comply with NEPA.

Although these actions are categorically excluded under NEPA, a determination must still be made as to whether they would alter any environmental conditions that would require a review or compliance determination under the Federal laws and authorities cited in § 58.5.

The laws and authorities cited in § 58.5 are freestanding from NEPA, such as the National Historic Preservation Act of 1966, the Executive Orders on Floodplain Management and Wetlands Protection, and several regulations specific to HUD concerning the health and safety of project occupants, to name a few.

The City *must* certify that it has complied with the requirements under these laws and consider the criteria, standards, policies, and regulations of these laws and authorities. The section on "Compliance with NEPA and Related Federal Laws and Authorities" provides guidance on this.

However, HUD has determined that certain kinds of categorical exclusions, because of the nature of the actions, would never alter any environmental conditions to create circumstances requiring compliance with these laws and authorities. Therefore, §58.35 identify two types of categorical exclusions:

1. Categorical exclusions subject to §58.5, and
2. Categorical exclusions not subject to § 58.5.

3. Categorical Exclusions subject to §58.5.

Categorical exclusions *subject* to §58.5 are excluded from compliance with NEPA, but must comply with the other related Federal laws and authorities cited in §58.5. It is generally evident from the nature and magnitude of such activities they do not have potential to have a significant impact on the human environment however, these types of activities are physical in nature and will alter environmental conditions that could, for example, affect historic properties, floodplains, wetland areas, and endangered species. Actions in this category include:

1. Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities (other than buildings)-e.g., replacement of water or sewer lines where the capacity is not changed more than 20 percent, reconstruction of curbs and sidewalks, and repaving of streets;
2. Removal of material and architectural barriers restricting the mobility of and accessibility to elderly and disabled persons;
3. Rehabilitation and improvement of single family (one-to-four unit) dwellings provided:

    a. The unit density is not increased beyond four units,
    b. The land use is not changed, and the footprint of the building is not increased in a floodplain or wetland;

4. Rehabilitation and improvement of multifamily dwellings provided:
    a. the unit density is not increased more than 20 percent,
    b. it does not change residential use to non-residential use,

c. and the estimated cost of rehabilitation is less than 75 percent of the replacement cost;

5. An individual action on one to four dwelling units where there is a maximum of four units on any one site. The term "individual action" refers to new construction, development, demolition, acquisition, disposition, or refinancing;
6. An individual action on five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four units on any one site;
7. Acquisition (including leasing) or disposition of, or equity loans on, an existing structure provided the structure acquired, financed, or disposed of will be retained for the same use; and
8. Any combinations of the above activities.

Content of ERR – Categorical exclusions subject to § 58.5

The City of Montebello will complete the *Certification of Categorically Exclusion (subject to 58.5) and* the *Statutory Checklist* forms to document its environmental findings. Such documentation must support the City's determinations related to compliance with the Federal laws and authorities cited in § 58.5. (Guidance on compliance is provided below in "Compliance with NEPA and Related Federal Laws and Authorities".)

Upon completion of the checklist, the City will make one of three environmental findings in writing:

1. The project converts to exempt and *does not* require public notification or approval from the City [§ 58.34(a)(12)];
2. The project invokes compliance with one or more of the laws and/or authorities and, therefore, *requires* public notification and approval from the City before funds are committed or spent; or
3. The unusual circumstances of the project may result in a significant environmental impact and, therefore, compliance with NEPA is required. Therefore, an environmental assessment (EA) must be completed.

The ERR must also contain:

4. Supporting documentation used to prepare the review (See Source Documentation for Environmental Reviews).
5. If the project did not convert to exempt, a copy of public Notice of Intent to Request Release of Funds that was issued.
6. Copy of the Request for Release of Funds and Certification (HUD form 7015.15); and
7. Copy of Authority to Use Grant Funds (HUD form 7015.16), issued by the City of Montebello (or HUD).

In addition to making a written determination of categorical exclusion, subject to § 58.5, the City must also determine whether the activity triggers any of the other requirements at 24 CFR 58.6, which are the Flood Disaster Protection Act; the Coastal Barriers Resources Act; and HUD's requirement for disclosure of properties located in airport runway clear zones. [See *Compliance Documentation Checklist (58.6)* form and discussion in "Other Requirements (§ 58.)6].

4. Categorical Exclusions not subject to § 58.5.

The activities that are categorically excluded *not subject to* § 58.5 have been determined by HUD not to have potential for altering any environmental conditions where a review or determination of compliance with the Federal laws and authorities would be required. Actions in this category include:

1. Tenant-based rental assistance;
2. Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction---e.g., closing costs, down payment assistance, interest buydowns, and similar activities that result in the transfer of title;
3. Affordable housing pre-development costs with no physical impact---e.g., legal consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities which do not have a physical impact; and
4. Approval of supplemental assistance (including insurance or guarantee) to a project previously approved under Part 58, if the approval is made by the same RE that conducted the environmental review on the original project and re-evaluation of the environmental findings is not required under § 58.47.

Content of ERR – Categorical exclusion not subject to § 58.5

The City will document in writing its determination that an activity meets the conditions for categorical exclusion not subject to § 58.5, and complete the *Certification of Categorical Exclusion (not subject to 58.5)* form to document designation of a HOME project or activity in this category. The City does not have to issue a public notice or request release of funds (RROF) [§ 58.34(b)].

In addition to making a written determination of categorical exclusion, subject to § 58.5, the City *must* also determine whether the activity triggers any of the other requirements at 24 CFR 58.6, which are the Flood Disaster Protection Act; the Coastal Barriers Resources Act; and HUD's requirement for disclosure of properties located in airport runway clear zones. [See *Certification of Categorical Exclusion (not subject to 58.5)* form and discussion in "Other Requirements (§ 58.6]

5. Environmental Assessment.

Environmental Assessment (EA) refers to a category of actions which, either individually or cumulatively, have potential for significant effect on the human environment (40 CFR 1508.4). Therefore, the potential environmental impacts on the human environment resulting from the proposed activity must be analyzed and evaluated according to NEPA procedures, as well as the other Federal laws and authorities cited at §58.5.

The environmental assessment (EA) is a public record that, upon completion, documents the City's findings and conclusions about environmental effects, and the reasons for its decision concerning those effects, as well as compliance with Federal laws and authorities.

Actions that may be funded by HOME and that fall into the category requiring an Environmental Assessment (EA) would include, but are not limited to:

1. New construction of five or more residential units on a single site;
2. New construction of five or more single family units on scattered sites that are less than 2,000 feet apart;
3. Major rehabilitation or reconstruction of residential units that increases or decreases the unit density more than 20 percent;
4. Expanding the footprint of a single-family unit into the floodplain or wetland area;
5. Conversion of a non-residential structure to create a residential use;
6. Acquisition of land for development of a housing subdivision; and
7. Categorical exclusions with “extraordinary circumstances”-i.e., actions that are unique or without precedent, actions that are substantially similar to those that normally require an Environmental Impact Statement (EIS), actions that are likely to alter existing HUD policy or HUD mandates, or action that, due to unusual physical conditions on the site or in the vicinity, have the potential for a significant impact on the environment or in which the environment could have a significant impact on users of the facility.

Content of ERR – Environmental Assessment (EA)

The City will complete a written determination that the project falls within this category. The EA includes the following information and analysis, according to NEPA regulations (40 CFR 1500-1508):

1. Determination of existing conditions;
2. Identification, analysis, and evaluation of all potential impacts on the human environment (i.e., social, economic and natural resources);
3. Examination and recommendation of feasible ways to eliminate or minimize adverse environmental impacts;
4. Examination of alternatives to the proposed action;

5. Compliance determination for all other Federal laws and authorities cited in §58.5; And Determination as to a finding of no significant impact (FONSI) or a finding of significant impact (FSI), which requires the execution of an Environmental Impact Statement (EIS).

The City will use the *Environmental Assessment* form in evidence of compliance with NEPA and the Federal laws and authorities cited in § 58.5.

Upon completion of the environmental assessment, the City will make either a finding of no significant impact (FONSI), or a finding of significant impact (FOSI) determination. In the event that a FONSI is made, the City *must* issue *two* public notices, submit a release of funds request and certification to HUD, and receive a release of funds from HUD before funds are committed or spent.

The ERR must also contain:

1. Supporting documentation used to prepare the review.
2. Copy of public Notice of Intent to Request Release of Funds, if project did not convert to exempt.
3. Copy of the *Request for Release of Funds and Certification* (HUD form 7015.15); and
4. Copy of the *Authority to Use Grant Funds* (HUD form 7015.16) issued by the City of Montebello (or HUD.)

In addition, the City *must* also determine whether the project triggers any of the other requirements at 24 CFR 58.6, which are the Flood Disaster Protection Act; the Coastal Barriers Resources Act; and HUD's requirement for disclosure of properties located in airport runway clear zones.

6. Environmental Impact Statement (EIS)

It is not typical for a HOME project to trigger the Environmental Impact Statement requirements. If the City believes that a project it is contemplating as a possible HOME project may in fact trigger these requirements, it should consult with HUD immediately before taking any further action.

COMPLIANCE WITH NEPA AND RELATED FEDERAL LAWS AND AUTHORITIES

The following section provides guidance to assist the City in compliance with NEPA and the related Federal laws and authorities cited at § 58.5.

1. Historic Preservation (36 CFR Part 800)

Section 106 of the National Historic Preservation Act requires the City to:

a. Consider the effects of their undertakings on historic properties; and
b. Provide the Advisory Council on Historic Preservation with a reasonable opportunity to comment with regard to such undertakings.

Compliance with Section 106 is achieved by initiating procedures the Advisory Council on Historic Preservation has outlined at 36 CFR Part 800. Section 800.2(a) recognizes the City's certifying officer as having authority to carry out these procedural responsibilities.

The focus of Part 800 is on the City making a determination whether a proposed project will affect buildings, structures, or places that are listed on or are eligible for listing on the National Register of Historic Places (NR). In making this determination, the City *must* follow a detailed review process in consultation with the State Historic Preservation Officer (SHPO). This process also provides an opportunity for interested persons, agencies, and Indian tribes to be part of the City's decision concerning historic properties that may be affected.

It is important to remember that before approval is given to proceed with HOME-funded projects, the environmental review record *must* show the Part 800 consultation process was completed.

Basic steps for compliance with the Section 106 Review Process (36 CFR Part 800) include:

1. Determine whether the project is an undertaking, or has no potential to cause effects on historic properties;
2. Define the area of potential effects (APE) for the undertaking;
3. Identify and evaluate historic properties in the APE;
4. Determine the effect of the undertaking;
5. Assess the effects on listed and/or eligible properties; and
6. Resolve any adverse effects.

Compliance Documentation Required – Historic Preservation

The ERR should contain one of these types of documentation:

1. Letter from SHPO that *no historic properties* will be affected;
2. The City adequately documented its finding of *no historic properties affected* and SHPO does not object within 30 days;
3. City documents that the project meets stipulations of a *Programmatic Agreement* executed with the SHPO; or

4. *Memorandum of Agreement* has been executed between the City and SHPO regarding mitigations measures that will be implemented to resolve adverse effects.

2. Floodplain Management (Executive Order 11988 and 24 CFR Part 55)

The purpose of Executive Order 11988 is to require the City to consider alternatives to developing projects in floodplains when other alternatives are available that achieve the same objective. This is to avoid risking lives and loss of property that results from occupying a floodplain, and to avoid losing the beneficial values of floodplains. Naturally vegetated floodplains can provide a broad area to spread and slow floodwaters, thereby reducing velocities and flood peaks. Slower floodwaters help maintain water quality because the slowed runoff allows sediments to be deposited. Floodplains are also important for recharging groundwater. Rainwater and surface water infiltrate through the generally porous soil of the floodplain into the groundwater.

The City of Montebello is required to avoid floodplain development whenever there are *practicable alternatives* to development in the floodplain. According to HUD regulation 24 CFR Part 55, floodplains are those land areas identified on maps published by FEMA as 100-year floodplain (Zones A or V). If the project is a "critical action," the regulation also applies to areas in the 500-year floodplain (Zone B). Coastal high hazard areas are subject to high velocity waters, such as hurricane wave wash. FEMA maps designate these as Zones V1-30, VE, or V.

Most, if not all, communities in the U.S. have been mapped by FEMA. However, if a community has not been mapped by FEMA, the City must establish whether or not the area is subject to one percent or greater chance of flooding in any given year [Section 6(c) of the Executive Order]. The City *must* research the best available information to determine whether buildings or structures could be damaged by floodwaters because of their location.

The City may contract to have a special study completed or, use the following sources of information:

1. U.S. Corps of Engineers,
2. Community Flood Administrators;
3. U.S. Geological Survey Maps;
4. U.S.D.A. Natural Resources Conservation Service (formerly Soil Conservation Service); state departments of water resources;
5. county public works; or
6. Local flood control or levee districts.

The City of Montebello *must* follow and *comply* with the Basic steps for compliance with floodplain management requirements located at Section 55.20, which identifies the "eight-step" decision making process.

Executive Order 11988:

Step 1 Determine whether the proposed action is located in a 100-year floodplain;
Step 2 If the project is in a floodplain, publish notice of the proposal to consider an action in the floodplain (15 calendar day comment period);
Step 3 Evaluate practicable alternatives to locating the proposed action in a floodplain ("Practicable" means capable of being done within existing constraints);
Step 4 Identify the potential impacts associated with occupancy and modification of the floodplain;
Step 5 Design or modify the action to minimize adverse impacts and preserve the beneficial values of the floodplain;
Step 6 Reevaluate whether the proposed action is practicable;
Step 7 If the RE decides to proceed with the project, it must publish a notice of the decision, addressing why there is "no practicable alternative", the alternatives that were considered, and the mitigation measures being adopted. (Seven calendar day comment period.); and
Step 8 Implement the proposed action with mitigation measures.

HUD has determined that certain activities are ***excluded*** from the 8-step decision-making process, including:

1. HUD assistance for purchasing,
2. mortgaging or refinancing one-to four family properties, and
3. minor repairs or improvements on one-to four-family properties [§ 55.12].

NOTE: Part 55 is not applicable if FEMA has issued a Letter of Map Revision (LOMR) or Letter of Map Amendment (LOMA) for the subject site in a floodplain.

Compliance Documentation Required – Floodplain Management

The ERR should contain one of these types of documentation:

1. Evidence the proposed action is not within a special flood hazard area mapped by FEMA (i.e., 100-year floodplain or 500-year floodplain for critical actions);
2. Documentation of the decision-making process is not applicable (§ 55.12); or
3. The 8-step decision making process was completed and a decision made that there is *no practicable alternative*

3. Wetlands Protection (Executive Order 11990)

The purpose of the Executive Order 11990 (Wetlands Protection, May 24, 1977) is to:

1. Avoid, if possible, any long and short-term adverse impacts associated with destruction or modification of wetlands; and
2. To avoid direct or indirect support of new construction in wetlands whenever there is a practicable alternative.

Compliance Requirements for Wetlands Protection

1. If new construction or conversion of vacant land is being proposed in a designated wetland, the RE should follow the decision-making process in § 55.20 (24 CFR Part 55) and conclude whether there is a practicable alternative to destroying or modifying the wetland.

NOTE: A permit from the U.S. Army Corps of Engineers *is required* if the wetland is within or adjacent to navigable waters of the U.S. or within the jurisdiction of the Corps.

Compliance Documentation Required – Wetlands Protection

The ERR should contain one of these types of documentation:

1. The proposed action does not include new construction or expanding the footprint of a building;
2. Evidence the new construction will not occur in a designated wetland or expand the footprint of a building into a wetland; or
3. There is *no practicable alternative*, according to the completed 8-step decision making process. (U.S. Army Corps of Engineers has issued a permit where they have wetland jurisdiction.)

4. Endangered Species (Endangered Species Act and 50 CFR 402)

Section 7 of the Endangered Species Act requires that, when Federal assistance is used for a project, a determination must be made whether continued existence of *Federally-listed* endangered or threatened species is likely to be affected, and whether it will result in their Critical Habitats being destroyed or adversely modified. The regulation implementing compliance with the Act is 50 CFR 402, issued by the Departments of Interior (U.S. Fish and Wildlife Service) and Commerce (U.S. National Marine Fisheries). The regulation also covers species or critical habitat that is *proposed for Federal-listing* and is likely to be jeopardized by the project.

Compliance Documentation Required – Endangered Species

The ERR should contain one of these types of documentation:

1. Evidence the habitat will not be altered or species affected.
2. If the proposed action may affect species or their habitat, there is evidence the USFWS or NMFS has reviewed the biological assessment and agrees with the findings of *no effect*.
3. If the proposed action will likely adversely affect species or their habitat, the USFWS or NMFS has issued either a "no jeopardy" or "jeopardy" biological opinion.

5. Coastal Zone Management Act

If the City chooses to use HOME funds for physical changes to properties or land within or adjacent to the coastal zone, the City *must* make a determination whether the project is *consistent* with the state's approved coastal management program.

Compliance Documentation Required – Coastal Zone Management

1. The ERR should contain a general location map or statement establishing there are no coastal zone management areas in the community or State of California, or use other documentation that may be available.

6. Sole Source Aquifers

Aquifers are underground geological formations that yield a significant amount of water to a well or spring. The regulations at 40 CFR Part 149 requires the City to:

1. Determine whether a project is within a Critical Aquifer Protection Area designated by EPA; and
2. Whether project activities have the potential to contaminate the aquifer. For example, drilling water wells and constructing water treatment and industrial facilities have the potential of contaminating aquifers.

Compliance Documentation Required – Sole Source Aquifers

The ERR should contain one of these types of documentation:

1. Documentation the proposed action is not within the boundaries of an EPA designated SSA;
2. Documentation the action is not a regulated activity within the boundaries of a SSA; or
3. Documentation that EPA has reviewed and commented on the proposed action within a SSA.

7. Wild and Scenic Rivers Act

Entire river systems or portions of rivers may be designated wild, scenic, or recreational and included in the National Wild and Scenic Rivers System (NWSRS) either by Act of Congress, or may be designated by a state or states if the U.S. Secretary of Interior finds it meets the criteria established by the Act.

In order to be in compliance with this Act, the City must:

1. Determine whether any river listed in the NWSRS, or that is designated for inclusion in the NWSRS, would be directly and adversely affected by development activities associated with the project; and
2. If the project is located above or below a listed river, the City must determine whether the project will impact the river management area or could unreasonably diminish the scenic, recreational, and fish and wildlife values present in the area.

Compliance Documentation Required – Wild and Scenic Rivers

The ERR should contain one of these types of documentation:

1. Evidence the proposed action is not within *one mile* of a designated Wild, Scenic, or Recreational River (http://www.nps.gov/rivers/wildriverslist.html); or
2. Documentation that contact was made with the Federal (or State) agency that has administrative responsibility for management of the river and that the proposed action will not affect river designation.

8. Clean Air Act

The Clean Air Act is a Federal law; however, the states do much of the work to carry out most of the Act. Each state develops state implementation plans (SIP) that contain its objectives and regulations for carrying out the Clean Air Act.

The purpose of an implementation plan is to ensure that ambient concentrations of any of six air pollutants are within the established levels of the National Ambient Air Quality Standards (NAAQS). The six pollutants are:

1. ozone,
2. carbon monoxide,
3. particulate matter,
4. sulfur dioxide,
5. lead, and
6. nitrogen

Sources for pollutants include transportation vehicles, industrial facilities, and farming operations.

Asbestos removal and abatement is a part of the Clean Air Act. Refer to 40 CFR 61, Subpart M, National Emission Standards for Hazardous Air Pollutants (NESHAP.)

Compliance Documentation Required – Clean Air Act

The ERR should contain one of these types of documentation:

1. A resource expert has determined the proposed action is not of a type that would contribute air pollution;
2. The proposed action is within an area in *attainment* with the NAAQS for all six pollutants; or
3. The proposed action is within a *non-attainment* area for one or more of the pollutants but is in conformance with the State Implementation Plan (SIP).

9. Farmland Protection Policy Act (7 CFR Part 658)

The purpose of the Farmland Protection Policy Act is to minimize the effect of Federal programs on the unnecessary and irreversible conversion of farmland to nonagricultural uses. The Act does not apply to lands already in, or committed to, urban development (i.e., 30 structures per 40 acres or water impoundment). However, land that meets the definition of prime or unique farmlands or is determined to be of statewide or local significance (with concurrence by the U.S. Secretary of Agriculture) is subject to the Act.

If the City cannot determine whether or not the land is classified as prime or unique, it should request the USDA Natural Resources Conservation Service (NRCS) to make the determination by submitting Form AD-1006, the Farmland Conversion Impact Rating form. These forms are available at NRCS offices.

Compliance Documentation Required – Farmland Protection

The ERR should contain one of these types of documentation:

1. Evidence the current zoning classification is not for farmland use (i.e., residential use, commercial use, etc.);
2. Information from NRCS that shows the site is not prime or unique farmland; or
3. Evidence from NRCS shows the site is classified prime or unique agricultural land, and the RE completed and submitted form AD-1006 to NRCS and received its comments.

10. Environmental Justice (Executive Order 12898)

The Executive Order on Environmental Justice directs each Federal agency, and in the case of Part 58 the RE, to make achieving environmental justice part of its mission by "identifying and addressing as appropriate disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations." Presently, there aren't any regulations for implementing the Executive Order. However, HUD has issued a Strategy Plan for Implementing Environmental Justice, which it uses as guiding principle in deciding whether the project could result in disproportionate high and adverse effects on these populations.

During the environmental review process, health and environmental issues may arise concerning the suitability of the project site for its intended use, particularly its suitability for human habitation. The City should document how the Executive Order was given consideration in its final decision.

Compliance Documentation Required – Environmental Justice

The ERR should contain ALL these types of documentation:

1. The proposed action is compatible with surrounding land uses;
2. The site or surrounding neighborhood does not suffer from adverse environmental conditions;
3. The proposed action would not create a negative environmental impact or aggravate an existing impact.

11. Site Contamination from Hazardous and/or Radioactive Materials [§ 58.5(i)(2)]

Section 58.5(i)(2) states that all properties receiving HUD assistance must be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances that *"could affect the health and safety of the occupants of conflict with the intended utilization of the property."*

Properties having clear health risks for the occupants or inhabitants should be rejected. For multifamily housing (5 or more dwelling units) compliance with this policy requires efforts to identify any hazardous substances and radioactive materials that may be on site or off site that could harm inhabitants, as well as an evaluation of previous uses of the properties.

Compliance Documentation Required – Site Contamination

The ERR should contain one of these types of documentation:

1. Evidence the site is not contaminated (For multifamily housing projects this includes on-site and off-site contamination and previous uses of the site);

2. Evidence supporting a determination the hazard will not affect health and safety of the occupants or conflict with the intended use of the site

12. Explosive/Flammable Operations (24 CFR 51, Subpart C)

The purpose of this HUD regulation is to ensure there is an *acceptable separation distance* between people and buildings from stationary aboveground storage tanks more than 100 gallons in size and that contain materials that are explosive or flammable in nature (e.g., gasoline, fuel oil, kerosene, crude oil, propane). This is to prevent injury to people and damage to property from industrial accidents.

The City *must* determine if there are hazardous liquids and gases being stored ***within one mile of the project***, and ***within line-of sight of the project***.

The regulation does not apply to rehabilitation of buildings that will not increase residential densities, convert buildings for habitation, or makes vacant buildings habitable (§ 51.201).

Neither does the regulation apply to individual fuel supply for one to four family housing units (Memorandum from Office of Environment and Energy, HUD, October 3, 1992).

Compliance Documentation Required – Stationary Aboveground Storage Tanks

The ERR should contain one of these types of documentation:

1. Document the proposed action does not meet the definition of a "HUD assisted project" (§ 51.201);
2. Field review documentation or aerial photos show no aboveground tanks within *one mile*;
3. If tanks are within one mile:
4. There's an effective barrier;
5. There's an *acceptable separation distance* for people and buildings;
6. The people and buildings can be protected with mitigation measures.
7. Noise Abatement and Control (24 CFR 51, Subpart B)

13. Noise Abatement and Control (24 CFR 51, Subpart B)

The purpose of this HUD regulation is to encourage suitable separation between noise sensitive lands uses, particularly housing, and major noise sources (i.e., roadways, railroads, and military and civilian airports).

The City must determine whether there are any major roadways with 1,000 feet, railroads within 3,000 feet, and military or civilian airports (regulated by the Federal Aviation Administration) that are within 15 miles of the project.

HUD's noise standards are based on the Day-Night Average (DNL) Sound Level System---a system of calculating noise exposure instead of measuring it with instruments. This system is a 24-hour average sound level (expressed in decibels), with an additional 10 decibels added for nighttime noise. The calculation is based upon projected conditions that are expected at least 10 years beyond the project approval date.

Noise is considered *Acceptable* when the exterior noise level is *65 DNL or less*. Otherwise, attenuation measures must be incorporated into construction plans (*66-75 DNL, Normally Unacceptable*). If the exterior noise level is *above 75 DNL* (Unacceptable), the project requires special approval from the certifying officer, or it should be disapproved [24 CFR 51.104(a)(2)].

The City *must* determine whether the exterior noise level at the project site is within HUD's standard for acceptability, or whether noise attenuation is required or another site should be selected for the project. Making this determination may require completing a noise calculation for roadways, railroads, and/or airports according to guidelines provided in The Noise Guidebook [HUD-953-CPD(1)]. This guidebook is issued by and available from HUD online.

Compliance Documentation Required – Noise Abatement and Control

The ERR should contain one of these types of documentation:

1. Documentation the proposed action is not:
2. A *noise sensitive land use*, according to [§ 51. 101(a)(2)] (i.e., housing);
3. Within 1000 feet of a major roadway, 3,000 feet of a railroad, or 15 miles of a military of FAA-regulated civil airfield.
4. If within those distances, documentation shows there's an effective noise barrier;
5. If within those distances, documentation shows the noise level is *Acceptable* (at or below 65 DNL);
6. Documentation shows the noise generated by the noise source(s) is *Normally Unacceptable*, and noise attenuation requirements are identified and will bring the interior noise level to 45 DNL and/or exterior noise level to 65 DNL.

14. Airport Clear Zones (24 CFR 51, Subpart D)

Clear Zones, Runway Clear Zones, and Accident Potential Zones are designated areas at the end of airport runways where the greatest number of airplane accidents occur (about 75 percent). This HUD regulation prohibits using HUD assistance for:

1. New construction; and

2. Major or substantial rehabilitation and modernization activities if projects are located within a Clear Zone or Runway Clear Zone.

It also prohibits using HUD assistance for these activities in an Accident Potential Zone, if such activities would:

1. Change the current use of the facility;
2. Significantly increase the density or number of people at the site; or
3. Introduce explosive, flammable, or toxic materials to the area.

However, this prohibition does not apply to the purchase, sale, or rental of existing properties, nor to minor rehabilitation/modernization or emergency assistance activities.

NOTE: (Minor rehabilitation/modernization would mean, for Clear Zones and Runway Clear Zones, it does not significantly prolong the physical or economic life of a building. for Accident Potential Zones, it does not change its use, increase density, or introduce explosive, flammable, or toxic materials. See § 51.302.)

Compliance Documentation Required – Airport Clear Zones

The ERR should contain one of these types of documentation:

1. Documentation there are no FAA-regulated airports within 2500 feet and/or Department of Defense airfields within 15,000 feet (about 2.8 miles) of the proposed project;
2. There's documentation the rule is not applicable to the proposed project (i.e., acquisition of an existing building, "minor" rehabilitation, or emergency action);
3. The project is within the specified distances, but the map of the airport/airfield shows the proposed action is not located within a Runway Clear Zone, Clear Zone, or Accident Potential Zone.

Compliance with NEPA

The focus of NEPA is on addressing potential impacts related to the human environment (i.e., social, economic and natural resources). So, not only must the Environmental Assessment (EA) address compliance with the Federal laws and authorities (§ 58.5) that were previously discussed in this chapter, but the City must also address additional environmental factors.

The City *must* determine the effects of the proposed project on the character, features and resources of the project area. Determinations of impact should be based on:

1. site observations,

2. information from relevant documents and reports,
3. special studies, or
4. correspondence with the appropriate government agencies.

The City of Montebello will visit the project site to assess or determine the presence/absence of the following factors included in the *Environmental Assessment Checklist* that includes:

1. Unique and natural features;
2. Site suitability, access, and compatibility with the surrounding environment;
3. Soil stability, erosion, and drainage;
4. Nuisances and hazards (manmade or built); and
5. Commercial/retail and transportation.

The City *must* contact the appropriate local agencies to assess the impact that the project will have on the areas listed in the checklist. Detailed guidance is provided in the HUD publication entitled Environmental Review Guide for Community Development Block Grant Programs under Title I of the Housing and Community Development Act of 1974, as Amended (HUD-CPD-782(2), September 1991).

A summary of some of this guidance is includes:

1. **Unique and natural features.** To supplement the determination of unique and natural features, contact your state agency that deals with natural resources to determine if any designated Natural Areas or Rare Species Habitats will be affected by the project.

2. **Site suitability, access, and compatibility with the surrounding environment.** To supplement the determination of site suitability, accesses, and compatibility with the surrounding environment, contact the local planning agency or board.

3. **Soil stability, erosion, and drainage.** To supplement the determination of soil stability, erosion and drainage, refer to the Natural Resource Conservation Service (NRCS) County Soil Survey to determine if engineering restraints are indicated. The Soil Survey may be obtained by contacting the local NRCS office. Provide comments from the site engineer or local development department if engineering restraints are indicated based on the Soil Survey. Where applicable, a review of a geologic map produced by the state geological surveys may be required.

4. **Water supply/sanitary sewers.** To assess water supply/sanitary sewers, contact the local public works department.

5. **Solid waste disposal.** To assess solid waste disposal, contact the local public works department.

6. **School services.** To assess school services, contact the local school board.

7. **Parks, recreation, and social services.** To assess parks, recreation, and social services contact the local planning department, parks and recreation department, and social services department.

8. **Emergency health care, fire and police services.** To assess emergency health care, fire, and police services contact the local fire department, police department, and emergency management organization.

9. **Transportation.** To assess transportation, contact the state or city transportation department.

Once determinations have been made, the appropriate impact code must be entered from the list provided in the EA that signifies:

1. No impact anticipated;
2. Potentially beneficial;
3. Potentially adverse;
4. Requires mitigation; and
5. Requires project modification.

The City *must* note names, dates of contact, telephone numbers and page references as well as any mitigation measures required. Attach additional source documentation to the EA as appropriate.

1. OTHER REQUIREMENTS (§ 58.6)

The following section outlines other Environmental Review requirements.

A. Flood Insurance

Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) requires that Federal funds shall not be provided to an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazard areas unless:

1. The community is participating in the National Flood Insurance Program, or it has been less than a year since the community was designated as having special hazards; and
2. Flood insurance is obtained.

The City of Montebello is responsible for ensuring that property owners receiving HOME assistance take flood insurance on properties located in a 100-year floodplain. Flood insurance must be taken for the life of a loan, or the useful life of an improvement funded by a grant.

B. Coastal Barriers

HUD Assistance may ***not*** be used for HOME assisted activities proposed in the Coastal Barrier Resource System. The Act prohibits Federal assistance for development or improvement of barrier islands that are subject to frequent damage by hurricanes and high storm surges.

C. Runway Clear Zone or Clear Zone

1. The City *must* advise buyers of existing property whether the property is located in a runway clear zone or clear zone.
2. The City *must* inform the buyer of the implications of such a location, and that there is a possibility that the property may, at a later date, or be acquired by the airport operator.
3. The buyer *must* sign a statement acknowledging receipt of this information. (A copy of this disclosure statement, *Notice to Prospective Buyers of Properties Located in Runway Clear Zones and Clear Zones/Accident Potential Zones*, is contained in the EA form.)

2. RELEASE OF FUNDS AND APPROVAL PROCESS

The City of Montebello will adhere to the following steps related to the release of funds and approval process.

Public Notification

The public notification process is an integral part of the environmental review process that allows the public, interested persons, and agencies to voice their opinions about the project's potential environmental impact and the City's environmental findings.

Public notices are required when the City determines that:

1. a project which is categorically excluded subject to § 58.5 cannot convert to exempt, or
2. when the City prepares an environmental assessment (EA) or environmental impact statement (EIS).

A. Categorical Exclusions That Cannot Convert to Exempt

The City *must* issue a *Notice of Intent to Request Release of Funds* if:

1. the proposed activity triggers compliance with any of the Federal laws and authorities, and
2. There is documentation supporting the finding, Publish or post/mail a *Notice of Intent to Request Release of Funds* (NOI/RROF), according to §§ 58.45 and 58.70.

Public Comment

1. A minimum of 7 calendar days must be allowed for public comment if the notice is published in a newspaper of general circulation in the affected community, or
2. A minimum of 10 calendar days if the notice is posted and/or mailed, according to established citizen participation procedures.

NOTE: If the notice is published, it only needs to appear once in the newspaper and does not have to be published again for each of the 7 days of the comment period. If posted, the notice must be maintained in place until after the public comment period has expired.

3. The public comment period begins at 12:01 a.m. local time on the day following the publication or posting/mailing date of the notice (§ 58.21).

The City must consider and respond to any comments received, and resolve any outstanding issues before signing and submitting a *Request for Release of Funds and Certification* to HUD.

4. A copy of the public notice *must* accompany this request.
5. HUD has 15 calendar days from the date it receives the City's request (or 15 days from the date that it appears in the notice, whichever is later) before it may approve release of funds, (*Authority to Use Grant Funds* is issued).

Additionally, the City *must* when publishing or posting/mailing the notice, at minimum distributes a copy of the notice, to:

1. individuals and groups known to be interested in the project/activities,
2. to the local news media,
3. to the appropriate tribal,
4. local, state and Federal agencies, and
5. Regional Office of the Environmental Protection Agency having jurisdiction, and to HUD (§ 58.45).

Environmental Assessments

Upon completion of the EA, the City will make either:

1. A finding of no significant impact (FONSI), or
2. A finding of significant impact (FOSI) determination.

In the event that a FONSI is made, the City *must* issue two public notices:

1. *Finding of No Significant Impact* (FONSI) and
2. *Notice of Intent to Request Release of Funds* (NOI/RROF).

NOTE: These notices may be published concurrently.

When there is a combined FONSI/NOI-RROF notice:

1. A minimum of 15 calendar days must be allowed for public comment if the notice is published in a newspaper of general circulation in the affected community, or
2. A minimum of 18 calendar days if the notice is posted and/or mailed, according to established citizen participation procedures.

NOTE: If the notice is published, it only needs to appear once in the newspaper and does not have to be published again for each of the 15 days of the comment period. If the notice is posted, it must be maintained in place until after the public comment period has expired.

The public comment period begins at 12:01 a.m. local time on the day following the publication or posting/mailing date of the notice (§ 58.21).

1. The City *must* consider and respond to any comments received and resolve any outstanding issues before signing and submitting a *Request for Release of Funds and Certification* to HUD.
2. A copy of the public notice must accompany this request.
3. HUD has 15 calendar days from the date it receives the City's request (or 15 days from the date that appears in the notice, whichever is later) before it may approve release of funds, (*Authority to Use Grant Funds* is issued.)

In the event that a FOSI is made:

1. The City *must* initiate an Environmental Impact Statement (EIS) in accordance with Subparts F and G of Part 58.

An EIS has additional public involvement and notification requirements.

Additionally, the City must at minimum when publishing or posting/mailing the notice distribute a copy of the notice, to:

1. Individuals and groups known to be interested in the project/activities, to the local news media,
2. To the appropriate tribal,
3. Local, state, and Federal agencies,
4. To Regional Office of the Environmental Protection Agency having jurisdiction, and to HUD (§ 58.45).

NOTE: All projects involving the rehabilitation of existing buildings or structures must be free of friable asbestos. Testing by a state-certified asbestos testing company or individual for the presence of friable asbestos must be conducted before HOME assistance can be approved.

EXHIBIT 11—SUMMARY OF ENVIRONMENTAL REVIEW ACTION BY ACTIVITY

Activity	Action	Documentation/Form	Notes
Administration	Exempt § 58.34 (a)	Complete *Certification of Exemption*	Under HOME rules, funds must be associated with a specific project to be considered a project cost rather than an administration cost.
TBRA	Cat. Ex. *Not subject to* § 58.5 § 58.35 (b)(1)	Complete *Certification of Categorical Exclusion (not subject to* § 58.5)	Public notification and HUD approval is not required.
Homeowner-Rehabilitation	Cat. Ex. *Subject to* § 58.5 § 58.35 (a)(3)(i)	Complete *Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)*	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.
Homeowner-Reconstruction	Cat. Ex. *Subject to* § 58.5 § 58.35 (a)(4)(ii)	Complete *Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)*	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.

Homebuyer Acquisition existing unit	Cat. Ex. *Subject to* § 58.5 § 58.35 (a)(5)	Complete *Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)*	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.
Homeowner-New Construction development (single family 1-4 units)	Cat. Ex. *Subject to* § 58.5	Complete *Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)*	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.
New Construction development (5 or more single-family units on scattered sites: **• The scattered sites are *more than* 2,000 feet apart, and** **• No more than 4 units per site**	Cat. Ex. *Subject to* § 58.5 § 58.35 (a)(4)(ii)	Complete *Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)*	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.
Acquisition, Rehabilitation and Resale (single family 1- 4 units)	Cat. Ex. *Subject to* § 58.5	Complete *Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)*	If project does not convert to exempt, public notification and HUD Approval is required prior to committing and expending funds.
Rental Acquisition existing building (single family 1-4 units or multifamily)	Categorically Excluded *Subject to* § 58.5	Complete *Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance Documentation Checklist (58.6)*	If project does not convert to exempt, public notification and HUD approval is required prior to committing and expending funds.
Rental Rehabilitation (multi-family 5 or more units): **✓ Unit density will not change more**	Categorically Excluded *subject to* § 58.5	Complete *Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist, and Compliance*	If project does not convert to exempt, public notification and HUD approval is required

than 20% as a result of rehab; ✓ **Current use will not change from residential to nonresidential; and/or** ✓ **Estimated cost of rehab is less than 75% of replacement cost after rehab**		*Documentation Checklist (58.6)*	prior to committing and expending funds.
Vacant Land Acquisition for New Construction (Rental or Single Family, 5 or more units on a site)	Environmental Assessment	Complete *Environmental Assessment* (which includes NEPA and related Federal laws and authorities at § 58.5, as well as § 58.6 requirements)	Public notification and HUD approval is required prior to committing and expending funds
New Construction development (5 or more single-family units on scattered sites): ✓ **The scattered sites are *less than* 2,000 feet apart, and/or** ✓ **There are more than 4 units per site**	Environmental Assessment	Complete *Environmental Assessment* (which includes NEPA and related Federal laws and authorities at § 58.5, as well as § 58.6 requirements	Public notification and HUD approval is required prior to committing and expending funds
Homeowner-Rehabilitation ✓ **Footprint of building is increased in a floodplain or wetland.**	Environmental Assessment	Complete *Environmental Assessment* (which includes NEPA and related Federal laws and authorities at § 58.5, as well as § 58.6 requirements)	Public notification and HUD approval is required prior to committing and expending funds
Rental Rehabilitation (multi-family 5 or more units): ✓ **Unit density is changed more than 20% as a result of rehab;**	Environmental Assessment	Complete *Environmental Assessment* (which includes NEPA and related Federal laws and authorities at § 58.5, as well as § 58.6 requirements)	Public notification and HUD approval is required prior to committing and expending funds

- ✓ **Current use will be changed from residential to nonresidential or vice versa; and/or**
- ✓ **Estimated cost of rehab is more than 75% of replacement cost after rehab**

NOTE: Except for administrative costs, combinations of activities above that make up a project must be evaluated in a single environmental review. Whichever of the project activities requires the highest level of review dictates the type of review required for the entire project.

PROCEDURE

1. The City of Montebello City Manager is the designated Certifying Official. The City Manager will sign all appropriate HUD certifications and the like.

2. The City's environmental review process will be completed by the Planning and Community Development Department Director and/or his/her designator.

3. The City will ensure the proper classification, completeness, and accuracy of the environmental review preparation.

4. The HOME Program Consultant or Senior Management Analyst will execute the request of release of funds (RROF), and submitting it to HUD, which issues the environmental clearance, if applicable.

5. By the City's Certifying Official (CO) signing the RROF, he/she is certifying the City:

    a. *Request of Release of Funds and Certification*—has carried out its responsibilities for environmental review, decision-making and action pertaining to the proposed HOME-funded project
    b. Has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969 (NEPA), as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR §58.5; and also agrees to comply with the authorities in 24 CFR §58.6 and applicable State and local laws.
    c. Has, after considering the type and degree of environmental effects identified by the environmental review completed for the proposed project, found that the proposal did not require the preparation and dissemination

of an environmental impact statement (EIS). (Note: If it is an EIS is needed, contact the HOME Program immediately for further guidance.)

NOTE: In certain limited instances, a project that is considered Categorically Excluded, and Subject to 24 CFR Part 58.5, may convert to Exempt after the Statutory Checklist has been completed. For more information, go to

http://housing.mt.gov/content/HM/docs/HMAdminManual/Chap2/2011/HMChap02Exh2G2CESTInstruct.doc

d. Has disseminated and/or published in the manner prescribed by 24 CFR §§58.43 and 58.55 a notice to the public in accordance with 24 CFR §58.70 and evidenced by the copy (copies) or evidence of posting and mailing procedure attached to the environmental review package submitted to the HOME Program.
e. Is in compliance with procedures and requirements of 24 CFR Part 58 relating to the dates for all statutory and regulatory time periods for review, comment, or other action.
f. Has, in accordance with 24 CFR §58.71(b), advised the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.
g. As the duly designated certifying official of the responsible entity, the CO is also certifying that:
    i. He/she is authorized to and consents to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR §58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making, and action that have been assumed by the responsible entity.
    ii. He/she is authorized to and accepts on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in his/her capacity as certifying officer of the responsible entity.

CHAPTER 6: ADMINISTRATIVE REQUIREMENTS

PART 1: GENERAL REQUIREMENTS

Eligible Administrative and Planning Costs

The City of Montebello will implement the following general administrative procedures:

1. Charge no more than the allowed maximum of 10 percent of the HOME allocation for reasonable administrative and planning costs including staff costs as well as other administrative costs.

2. Charge no more than the 10 percent cap for certain soft costs incurred that is project-related.

    a. If a consultant is used, the consultant fee, if any, must be included in an amount not to exceed ten percent (10 percent) of the requested HOME Program allocation in the proposed development budget.

    b. If a consultant is not used the amount must not exceed ten percent (10 percent) of the requested HOME Program allocation as reimbursement of project delivery costs.

    c. The HOME Program allocation may not include both a consultant fee and a project delivery cost reimbursement.

3. Utilize ONLY one of the two following options when charging eligible administrative and planning costs that include expenditures for salaries, wages, and related costs of City staff responsible for the HOME Program administration:

    Option 1: Include the entire salary, wages, and related costs of each person whose primary responsibility involves program administration assignments.

    OR

    Option 2: Determine the pro rata share of salary, wages, and related costs of each person whose job includes any program administration assignments for each person.

4. Restrict charging other planning and administrative costs to include:

    a. Goods and services necessary for administration (utilities, office supplies, etc.);
    b. Administrative services under third party agreements (e.g., legal services);
    c. Providing public information;
    d. Fair housing activities;

e. Indirect costs under a cost allocation plan prepared in accordance with applicable Office of Management and Budget (OMB) Circular requirements and approved by the City of Montebello; and
f. Complying with other Federal requirements.

5. Restrict charges of eligible project-related soft costs to include Staff and overhead costs: incurred by the City or a third-party contractor that are directly related to carrying out specific HOME ***projects*** that include:

   a. Appraisals;
   b. Preparation of work specifications;
   c. Loan processing and underwriting;
   d. Construction inspections and oversight;
   e. Inspections for the presence of lead hazards or defective paint;
   f. Advisory and other relocation services;
   g. Project-specific environmental reviews; and

6. Administrative costs charged to the project will not be included in the loan to the project owner.
7. If the project does not go forward, project costs must be charged as administrative costs.

Uniform Administrative Requirements

Sub-part K (24 CFR 92.500 - 92.509)

The City of Montebello will comply with the following administrative requirements pertaining to the financial management and audit standards.

1. OMB Circular A-87 "Cost Principles for State, Local, and Indian Tribal Governments": This circular establishes principles and standards to provide a uniform approach for determining allowable costs under Federal grants and other agreements with states and local governments and Indian tribal governments.

2. Certain provisions in 24 CFR Part 85: These regulations set forth uniform requirements for financial management systems, procurement, reports and records, and grant close-outs for Recipients of Federal grant funding.

3. OMB Circular A-133 (Audit Requirements): Audit thresholds and requirements are outlined in OMB Circular A-133.

4. OMB Circular A-122, "Cost Principles for Non-Profit Organizations," or, for institutions of higher education, OMB Circular A-21 "Cost Principles for Educational Institutions": This circular establishes principles for determining allowable costs under grants, contracts and other agreements with nonprofit organizations.

5. Certain provisions of 24 CFR Part 84: The regulations at 24 CFR Part 84 implement OMB Circular A-110 and set forth uniform requirements for nonprofit organizations, including financial management systems, property standards, procurement standards, reporting and record-keeping. Attachment 3-1 lists the applicable provisions.

6. The requirements at 24 CFR 84.21, "Standards for Financial Management Systems" applies to CHDOs who are acting as an owner, developer or sponsor of HOME assisted housing.

Written Agreements

Written agreements are important legal documents that assist the City of Montebello to protect investments and enforce HOME Program rules, for verifying compliance and monitoring performance, and methods of enforcing program requirements.

The City of Montebello's written agreement will serve as a concise statement of the relationship between the City and a funded entity/beneficiary of HOME funds. It will also clearly state the conditions under which the HOME funds are provided.

1. **Required provisions**

   The City of Montebello HOME agreements will include at minimum provisions based on the Final Rule (24 CFR Part 92) that details the specific HOME provisions that must be included in written agreements for beneficiaries that may receive HOME funds. The provisions are:

   a. **Use of funds**: Description of tasks to be performed, schedule for completing tasks, a budget in sufficient detail to effectively monitor performance and the period of the agreement. (For nonprofit and for-profit housing owner, sponsor, or developers, the duration of the agreement will be in a separate clause.)

   b. **Reversion of assets/program income requirements**: States whether program income, unexpended funds, or other assets will be returned to the City.

   c. **Uniform administrative requirements**: Compliance with applicable Federal administrative requirements (OMB Circular A-87 and applicable provisions of 24 CFR Part 85 for governmental entities, or OMB Circular A-122 and applicable provisions of 24 CFR Part 84 for non-profit entities).

   d. **Other Federal requirements**: Requirements regarding non-discrimination and equal opportunity; affirmative marketing and minority outreach; environmental review; displacement, relocation and acquisition; labor standards; lead-based paint; and conflict-of-interest.

e. **Affirmative marketing**: Requirements for affirmative marketing in projects of five or more HOME-assisted units.

f. **Requests for disbursements of funds**: Requirement that HOME funds may not be requested until funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. Program income must be returned to the City of Montebello before any new funding requests will be provided.

g. **Records and reports**: Enumeration of records that must be maintained, and information and reports that must be submitted.

h. **Enforcement of the agreement**: This provision is in the agreement with all parties, including owners, and is the means of enforcing the provisions of the written agreement.

2. **Template agreements**

a. The City's template contracts, agreements and other legal documents as provided by the City's Planning and Community Development staff must be used.

3. **Duration of agreements**

a. The agreement must specify the duration of the agreement. If the housing assisted under the agreement is rental housing, the agreement must be in effect through the affordability period required by the City of Montebello. If the housing assisted under this agreement is homeownership housing, the agreement must be in effect at least until the completion of the project and transfer of ownership to a low-income family.

4. **Amending the documents**

Written agreements may be amended by mutual agreement of the parties when regulations and requirements change, or when adjustments to funding levels or other conditions related to a specific project are needed.

EXHIBIT 12
WRITTEN AGREEMENT REQUIRED PROVISIONS

REQUIRED PROVISION (§92.504)	SUBRECIPIENTS	OWNERS, SPONSORS, DEVELOPERS (CHDOS)	CONTRACTORS	HOME OWNERS
Use of HOME Funds	✓	✓	✓	✓

Affordability (§92.252 or §92.254)		✓		
Program Income	✓			
Uniform Administration requirements (§92.505)	✓			
Project requirements (as applicable in Subpart F)		✓		2.254 (b) only
Property Standards (§92.251 and (§92.355)		✓		
Other Program Requirements (Subpart H except (§92.252 and (§92.357)	✓	✓	Except 92.505, 92.506, 92.352	
Affirmative Marketing ((§92.351)	✓	✓		
Requests for Disbursement of Funds	✓	✓		
Reversion of Assets	✓	✓		
Records and Reports	✓	✓		
Enforcement of the Agreement (§92.252 and 24 CFR Part 85 as applicable)	✓	✓		
Duration of the Agreement		✓	✓	
CHDO Provisions ((§92.300 and (§92.301)		✓		
Suggested Provisions (not HOME Requirements)		✓		
Roles and Responsibilities	✓	✓		
Description of the Project	✓	✓		
Performance Standards	✓	✓		
Conflict of Interest	✓	✓	✓	
Monitoring	✓	✓		
Close-out Requirements	✓	✓		
Non-Compliance	✓	✓	✓	

PROCEDURE:

1. ***Before any City of Montebello HOME funds are committed or disbursed*** the City will enter into a written agreement.

2. For all development activities, the City of Montebello will select and/or approve a closing entity to provide closing services for all HOME Program transactions using the City's approved documents.

3. The City of Montebello Planning and Community Development staff will provide closing instructions for all HOME Program funded transactions to the closing entity.

4. The City of Montebello will be responsible for payment of costs associated with closing the HOME Program portion of the transaction on both homeowner and rental activities.

The City's HRPP Agreement is detailed on the following page (Exhibit 13):

EXHIBIT 13

HOME PROGRAM AGREEMENT AND CITY AFFORDABILITY AGREEMENT BETWEEN THE CITY OF MONTEBELLO AND THE APPLICANT FOR THE OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM

HOMEOWNER NAME(S) & PHONE NO.:	PROPERTY ADDRESS:	CONTRACTOR NAME, ADDRESS, PHONE NO.:

This HOME Investment Partnerships Program Housing Rehabilitation Agreement ("Agreement") is entered into by the City of Montebello, California ("the City") and _____ _____(hereinafter called "Homeowner" whether one or more persons). This Agreement applies only to the Homeowner and dwelling unit ("Property"), as identified above. This Agreement describes the HOME Program rules and the City affordability requirements that pertain to the assistance provided through the City's HOME Housing Preservation Program (HHPP). The duration of the HOME portion of this Agreement is thirty (30) days from the date of completion of rehabilitation work as defined herein. The duration of the City's affordability period and the deed of trust shall continue until a change in title occurs, as defined herein.

By initialing the items listed below, Homeowner and Contractor confirm that each item has been read and Homeowner and Contractor understand and agree to comply with each item, as applicable:

1. USE OF HOME PROGRAM FUNDING

_____ The City will provide HOME Program funding in the amount of $_____as a deferred loan with a HOME compliance period of thirty (30) days;

_____ A City imposed affordability period will run concurrent to the HOME compliance period and extend forward until there is a transfer of title for any of the following reasons: The property is sold; the property is foreclosed on; the property is refinanced; the property is leased; the applicant(s) fail(s) to occupy the property as their primary residence;

_____ In the event that one of the Homeowner's dies, ownership as stipulated by California Real Estate law transfers to the surviving individual. This procedure is not a transfer of title. Consequently, the remaining Homeowner will assume the loan pursuant to the original terms of the loan.

_____ At the time Homeowner is approved for HOME Program assistance, Homeowner has an ownership interest in and occupies the Property to be rehabilitated as his/her principal residence. Homeowner agrees to continue to occupy the Property as his/her principal residence for the HOME Compliance Period and the City's Affordability Period.

_____ At the time Homeowner is approved for the HOME Program assistance, the Homeowner qualifies as a low-income household with a gross household income that does not exceed 80% of the area median income as established by the U.S. Department of Housing and Urban Development for the Los Angeles MSA adjusted for household size, and as updated annually.

_____ The City Affordability Period will be secured by a promissory note and recorded subordinate deed of trust (no lower than second position). Monthly payments will not be required on this portion of the assistance. This assistance will be provided at 0% interest,

_____ If, during the City's Affordability Period, the Homeowner sells or transfers title to the Property, rents or leases the Property, refinances the Property, or if Homeowner no longer lives in the Property as his/her principal residence, all of the deferred payment loan will be due and payable to the City. However, in the event the Homeowner sells the Property, and the net proceeds after repayment of the first mortgage and the costs of sale of the Property are less than the amount of City's loan, the amount due shall be reduced to the amount available.

_____ Housing rehabilitation work will provide general rehabilitation necessary to bring the structure into compliance with the City's applicable building codes; the City's adopted property standards (if applicable); the City's housing rehabilitation program standards; and applicable lead-based paint (LBP) regulations (24 CFR 92.251 & 92.355). Rehabilitation work to be completed will only be as specified in the approved written work specification for the Property and fully executed and approved change orders. All codes, standards, and regulations noted are incorporated herein by reference.

_____ The maximum after-rehab value of Property must not exceed the current 203(b) FHA Mortgage Limits for a single unit structure in the Los Angeles Metropolitan Statistical Area.
The estimated after-rehab value is: $_____
The 203(b) Mortgage limit is: $_____ as of (Insert Date) _____
Estimated Start Date: _____
Estimated Completion Date: _____

_____ After the notice to proceed is issued by the City, the Homeowner has a three (3) day Right of Rescission Period. If Homeowner does not exercise their Right of Rescission, the Contractor has ten (10) calendar days to begin work;

_____ Upon completion of rehabilitation work, the Contractor shall furnish warranties as fully described in Section XV of the Housing Rehabilitation Program Policies (incorporated herein by reference).

2. DISBURSEMENT OF FUNDS

_____ Funds will be disbursed on a reimbursement basis and only.

_____ During the course of the work if any partial or in-progress payments are made, the Contractor shall furnish fully executed and dated lien releases/waivers for the specified amount(s) paid to himself/herself AND from all subcontractors receiving proceeds from such partial or in-progress payments.

_____ Upon completion of the rehabilitation work, final inspections, and a qualified building official inspection, the Contractor will submit a written invoice for the amount of the contract, plus change orders, less ten percent (10%) retainage.

_____ Upon completion of rehabilitation work, the Contractor shall furnish fully executed and dated lien releases/waivers for the specified amount(s) paid to himself/herself AND from all subcontractors receiving proceeds from the final payment/draw.

_____ Retainage funds will be held for twenty (20) days. After twenty (20) days, the Contractor will submit a written invoice for the final payment accompanied by the required *Bill Paid Affidavit* and a fully executed *Release of Lien* for his/her ten percent (10%) retainage. Upon approval by the City and the Homeowner the final ten percent (10%), payment will be made to the Contractor.

3. ROLES AND RESPONSIBILITIES

_____ Roles and responsibilities of the Homeowner include, but are not limited to: Submission of true and accurate financial and other eligibility documentation; selection of the contractor; review and execution of the work write-up, contract, and associated documents; and accommodating the schedules of the Contractor and the City to facilitate timely completion of rehabilitation work and inspections.

_____ Roles and responsibilities of the Contractor include, but are not limited to: Communicating with Homeowner and the City regarding status of the work during the construction period; notifying the City, in writing, including a justification delineating and supporting the need for any change orders (including itemized cost information); completing any items identified on the final inspection prior to *execution of the Certificate of Completion; and providing and adhering to warranty agreements in a timely manner.*

_____ Roles and responsibilities of the City, include, but are not limited to: Ensuring payment to Contractor as set forth in the rehabilitation contract; communicating with the Homeowner and Contractor regarding all administrative procedures that affect completion of rehabilitation work; advising the Homeowner regarding city property standards, building code requirements, local property standards and housing rehabilitation standards which may affect the prioritization of work items; and documenting project files in compliance with all applicable HUD regulations.

_____ Roles and responsibilities of the City, the Homeowner, and the Contractor are more specifically outlined in the City's HOME Policies and Procedures, incorporated herein by reference.

_____ Homeowner has responsibility to select the contractor to complete the rehabilitation work from any eligible bid, as long as the price quoted is within a range of no more than ten percent (10%) below or ten percent (10%) above the cost estimate of scope of rehabilitation work prepared by the City. Eligible bids may be obtained from a list of City pre-approved contractors or other contractors selected by Owner. The selected Contractor and his/her subsequently selected subcontractors must not be debarred or suspended from the Housing Rehabilitation Program, federally funded programs, or state funded programs; must carry the required insurance; submit or have submitted a completed Contractor Information Form to the City and a statement of non-use of lead-based paint; pass a

criminal background check; and all other program requirements of the HRPP as outlined in the program policy, incorporated herein by reference.

4. PROPERTY STANDARDS

_____ All rehabilitation work will be completed in compliance with the Housing Rehabilitation Program's locally written and adopted property standards and all applicable written local building and property codes and standards.

_____ Housing rehabilitation assistance will only be provided to cover the cost of rehabilitation necessary to bring the property in compliance with locally adopted, written building and property standards, Rehabilitation Program standards and, applicable Federal and State building and property standards.

5. WRITTEN AGREEMENT PROVISIONS

_____ Homeowner will enter into a written agreement with the Homeowner-selected, qualified Contractor for the completion of rehabilitation work. The written agreement shall include the scope of work, the cost of the work to be completed, and the time frame during which the scope of work must be completed, all of which have been reviewed and approved by Homeowner, City, and Contractor at the preconstruction conference. Said written agreement, work specifications, and any subsequent change orders are incorporated herein by reference.

_____ Except for the purpose of affording protection against any emergency endangering life or property, no modification of the written agreement shall be made except by written instrument, signed by the Contractor, approved by Homeowner, and accepted and dated in writing by City. Change orders may be authorized for necessary work items that were initially overlooked or which could not be determined until the course of the rehabilitation or reconstruction work had already begun. Change orders must be requested prior to commencement of the proposed changed work in order for such costs to be reimbursable.

_____ Homeowners or Contractors with concerns about the administration or operation of the Housing Rehabilitation Program should communicate these concerns to the City, if concerns cannot be negotiated or resolved successfully between the parties, they may file an appeal with the ("INSERT APPROPRIATE LOCAL AUTHORITY").

_____ Homeowner agrees to abide by the HOME regulations as set forth in 24 CFR Part 92 which is incorporated as a part of this agreement by reference.

By signing below, Homeowner and Contractor acknowledge receipt of this document and understanding of its contents.

Homeowner	Date
Homeowner	Date

Contractor	Date
Director of Community Development	Date

Conflict of Interest

The City of Montebello will comply with the following conflict of-interest provisions:

1. 24 CFR Parts 84 and 85, and CFR 85.36 and 24 CFR 84.42.

2. Provisions not covered by 24 CFR Parts 84 and 85, set forth in the HOME regulations. Additionally, the HOME regulations include conflict of interest provisions for nonprofit, for-profit owners/developers/sponsors and CHDOs.

3. No employee, officer, agent of the city shall participate in the selection, award or administration of a contract supported by HOME if a conflict-of interest, either real or apparent, would be involved;

4. City employees, officers and agents not accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to sub-agreements; and

5. Enforce provisions for penalties, sanctions or other disciplinary actions for violations of standards.

6. No person who exercises or has exercised any functions or responsibilities with respect to HOME activities or who is in a position to participate in decisions or gain inside information:

    a. May obtain a financial interest or benefit from a HOME activity; or the City of Montebello HOME Program Operations;

    b. Have an interest in any contract, subcontract, or agreement for themselves or for persons with business or family ties.

NOTE: This requirement applies to covered persons during their tenure and for one year after leaving the Recipient entity.

7. Include the conflict-of-interest provision in written agreements and other documents with owners, developers, and sponsors.

8. Monitoring of projects will include necessary actions to ensure that the conflict of interest provision is adhered to.

HOME Provisions for Nonprofit and For-Profit Owners, Developers, CHDOs, and Sponsors

The City of Montebello will comply with the HOME Final Rule that includes a conflict-of-interest provision applicable to for-profit and nonprofit owners, developers, and sponsors of HOME-assisted housing. This provision states that:

1. No owner, developer, or sponsor of HOME-assisted housing, including their officers, employees, agents, consultants, or elected or appointed officials, may occupy a HOME-assisted unit in a development.

NOTE: This provision ***does not*** apply to:

a. An individual receiving HOME funds to acquire or rehabilitate his/her principal residence, or,

b. An individual living in a HOME-assisted rental housing development where he/she is a project manager or a maintenance worker in that development.

Exceptions: Exceptions to this conflict-of-interest provision (governing owners, developer, and sponsors of HOME-assisted housing) may be granted by the City after obtaining a waiver from HUD on a case-by-case basis based on the following factors as set forth in the regulations:

a. Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of assisted housing, and the exception will permit him or her to receive generally the same interests or benefits as are being made available or provided to the group as a whole;

b. Whether the person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted housing in question;

c. Whether the tenant protection requirements of CFR 92.253 (prohibited lease terms, termination of tenancy and tenant selection) are being observed;

d. Whether the affirmative marketing requirements are being observed and followed; and

e. Any other factor relevant to the City's determination, including the timing of the requested exception.

Religious Organizations

HOME funds ***may*** be provided to primarily religious organizations for any activity, excluding inherently religious activities.

1. As of the September 30, 2003 Final Rule for 24 CFR Part 92, HUD identified regulations for eight programs, including the HOME Program, to eliminate barriers and ensure that these programs are open to all qualified organizations regardless of their religious character.

HOME Investment Trust Fund Account

The HOME Investment Trust Fund Account is the account established by the U.S. Treasury and managed through HUD's Integrated Disbursement and Information System for the Program.

1. **Establishment**

   The Secretary shall establish for each participating jurisdiction a HOME Investment Trust Fund, which shall be an account (or accounts as provided in section 12749(c) of this title) for use solely to invest in affordable housing within the participating jurisdiction's boundaries or within the boundaries of contiguous jurisdictions in joint projects which serve residents from both jurisdictions in accordance with the provisions of this part.

2. **Line of credit**

   The Secretary shall establish a line of credit in the HOME Investment Trust Fund of each participating jurisdiction, which line of credit shall include:

   a. funds allocated or reallocated to the participating jurisdiction under section 12747 of this title, and
   b. any payment or repayment made pursuant to section 12749 of this title.

3. **Reductions**

   A participating jurisdiction's line of credit shall be reduced by:

   a. funds drawn from the HOME Investment Trust Fund by the participating jurisdiction,
   b. funds expiring under subsection (g) of this section, and
   c. any penalties assessed by the Secretary under section 12754 of this title.

4. **Certification**

   A participating jurisdiction may draw funds from its HOME Investment Trust Fund, but not to exceed the remaining line of credit, only after providing certification that the funds shall be used pursuant to the participating jurisdiction's approved housing strategy and in

compliance with all requirements of this subchapter. When such certification is received, the Secretary shall immediately disburse such funds in accordance with the form of the assistance determined by the participating jurisdiction.

5. **Investment within 15 days**

   The participating jurisdiction shall, not later than 15 days after funds are drawn from the jurisdiction's HOME Investment Trust Fund, invest such funds, together with any interest earned thereon, in the affordable housing for which the funds were withdrawn.

6. **No interest or fees**

   The Secretary shall not charge any interest or levy any other fee with regard to funds in a HOME Investment Trust Fund.

7. **Expiration of right to draw funds**

   If any funds becoming available to a participating jurisdiction under this subchapter are not placed under binding commitment to affordable housing within 24 months after the last day of the month in which such funds are deposited in the jurisdiction's HOME Investment Trust Fund, the jurisdiction's right to draw such funds from the HOME Investment Trust Fund shall expire. The Secretary shall reduce the line of credit in the participating jurisdiction's HOME Investment Trust Fund by the expiring amount and shall reallocate the funds by formula in accordance with section 12747(d) of this title.

8. **Administrative Provision**

   The Secretary shall keep each participating jurisdiction informed of the status of its HOME Investment Trust Fund, including the status of amounts under various stages of commitment.

   a. **In general**

      Any repayment of funds drawn from a jurisdiction's HOME Investment Trust Fund, and any payment of interest or other return on the investment of such funds, shall be deposited in such jurisdiction's HOME Investment Trust Fund, except that, if the jurisdiction is not a participating jurisdiction when such payment or repayment is made, the amount of such payment or repayment shall be reallocated in accordance with section 12747(d) of this title.

   b. **Assurance of repayment**

      Each participating jurisdiction shall enter into an agreement with the Secretary ensuring that funds invested in affordable housing under this part are repayable

when the housing no longer qualifies as affordable housing. Any repayment under the previous sentence shall be for deposit in the HOME Investment Trust Fund of the jurisdiction making the investment; except that if such jurisdiction is not a participating jurisdiction when such repayment is made, the amount of such repayment shall be reallocated in accordance with section 12747(d) of this title.

c. **Availability**

The Secretary shall take such actions as are necessary to ensure that any repayments deposited in a HOME Investment Trust Fund in accordance with this section shall be immediately available to the participating jurisdiction for investment subject to the provisions of this part that apply to funds that are allocated under section 12747 of this title. Actions authorized under the preceding sentence may include authorizing the establishment for a participating jurisdiction of a HOME Investment Trust Fund account outside of the Federal Government that, under arrangements satisfactory to the Secretary, shall be used solely to invest in affordable housing within the participating jurisdiction's boundaries in accordance with the provisions of this subchapter. Such accounts shall be established in such a manner that repayments are not receipts or collections of the Federal Government.

HOME Program Income

Program income is defined as any revenue received by the City directly generated from the use of HOME funds or matching contributions. Program income includes, but is not limited to:

1. Proceeds from the sale or long-term lease of real property acquired, rehabilitated or constructed with HOME funds or matching contributions;

2. Income from the use or rental of real property owned by a Recipient that was acquired, rehabilitated or constructed with HOME funds or matching contributions, minus the costs incidental to generating that income;

3. Payments of principal and interest on loans made with HOME or matching funds, and proceeds from the sale of loans or obligations secured by loans made with HOME or matching contributions;

4. Interest on program income; and

5. Any other interest or return on the investment of HOME and matching funds.

Note: The City of Montebello requires that all program income is returned to the City.

Pre-Award Costs

With the publication of the Final Rule, the City may incur eligible costs prior to the effective date of its annual HOME Investment Partnerships Agreement, subject to certain conditions:

1. Both administrative/planning and project costs may be incurred. Only costs eligible under the HOME Program rules in effect at the time the costs are incurred are included.
2. Expenditures must meet all regulatory requirements, including environmental review regulations.

HOME Program Draws

HOME funds are available on a reimbursement basis only based on documentation of incurring the expense and payment of the expense.

PROCEDURE

1. The City of Montebello will reimburse funds based upon information submitted by the Recipient. Any expenditures occurring after the effective date of the contractual agreement between the City of Montebello and the Recipient are eligible for reimbursement.

2. Expenditures must be consistent with the approved budget as stated in the contractual agreement between the City of Montebello and the Recipient. Only eligible expenses will be reimbursed.

3. Payments will be adjusted by the City in accordance with program income balances available in sub-recipient accounts, if applicable.

4. In order to ensure accurate billing and fund management sub-recipients should keep track of the following information for activities funded:

    a. Funds budgeted.
    b. Funds received in City of Montebello.
    c. Reimbursements to-date.
    d. Funds obligated in the most recent period and to-date.
    e. Funds expended in the most recent period and to-date.
    f. Cash on hand (including program income identified as such), *if applicable.*
    g. Previous reimbursements requested but not yet received, *if applicable*.

5. All requests for final reimbursements must be submitted to the Planning and Community Development Department Division within 15 days after the last date of the contract.

To request reimbursement:

1. The "Reimbursement Request" form must be completed and signed by either the Planning and Community Development Director or another authorized personnel.

2. Provide original invoices for all expenditures to be reimbursed.

3. Payment receipts, copies of checks, and/or all documentation proving that payment has been made prior to requesting reimbursement.

4. For salary reimbursement, time sheets must include total time worked and a breakdown of funding sources covering the salary and benefits associated.

All reimbursements will be made within thirty (30) days of receipt of the request, if proper documentation has been submitted. Please be advised that the City of Montebello will not provide reimbursements if quarterly reports have not been submitted within the time limits stated in the contractual agreement between the City of Montebello and the Recipient.

PART 2: FINANCIAL MANAGEMENT

Policies Regarding Cash Management

All payments under City of Montebello's Federal programs will be on a reimbursement basis, AFTER costs have been incurred. No cash advances will be allowed. Reimbursements will not exceed actual cash outlays

All payments to subrecipients and for in-house activities will be monitored for compliance with federal regulations and applicable OMB circulars. Prior to payment, subrecipient requests for program funds shall be properly evaluated. The following will be monitored:

a. Bi-weekly employee timesheets
b. Payroll records
c. Cost per capita served
d. Portion of clientele served that is low-income
e. Eligibility of activity
f. Allowable costs
g. Non-Federal funds leveraged (if applicable)
h. Proper allocation of costs to City of Montebello

Drawdown of federal funds through federal reporting system is subject to review and approval by Finance staff. Variances between expected and actual cash disbursements of federal awards and drawdowns of federal funds are reported to an appropriate level of management.

Since federal funds will only be provided on a reimbursement basis, it is anticipated that no interest earnings will accrue to the City or to subrecipients. In the unlikely event interest earnings on federal funds are accrued, they must be paid back to that federal department.

Program income funds will be generated primarily by housing rehab loan repayments and occasionally, housing development activities. Program income received by the City must be deducted from reimbursement requests before drawing down entitlement grant funds.

The federal financial reporting system is capable of scheduling payments for accounts payable and requests for funds from Treasury that enables the City to avoid a time lapse between draw down of funds and the actual disbursement of funds. Montebello's accounting program, shall be reconciled by the following steps:

1) Invoices are received by Finance Department via email, mail, etc.
2) Twice per month, invoices are coded by purchase order accounting number (account waiting for the money so accounts payable will know where to take it from), where money has been allocated to those activities; codes by stamping invoice with stamp that includes: vendor number, PO # dollar; after filling out info on stamp, it goes to finance;
3) At the end of the month all expenditures are totaled and drawdowns for the particular activities are reported to the Government agency; Finance Analyst reviews drawdowns for accuracy and compiles data in a spreadsheet
4) The Senior Management Analyst inputs drawdowns into IDIS
5) The Director of Finance (or Designee) approves vouchers in federal system

Staff will carry out periodic independent evaluation (e.g., by internal audit, top management) of entity cash management, budget and actual results, repayments of excess interest earnings, and federal drawdown.

Procedures for Reflecting Prior Period Adjustments and Accruals

In preparation of the CAPER, City staff review the following reports:

- PR09- Program Income Details by Fiscal Year and Program (report generated by IDIS)
- PR26- CDBG Financial Summary Report (report generated by IDIS)
- Analysis of CDBG Funds- City of Montebello Sources & Uses of Funds spreadsheet (report generated by the Senior Management Analyst)

Director of Finance or Designee reconciles discrepancies between the IDIS reports and the City's Budget and makes the necessary adjustments in the PR26 report. These adjustments are explained as Notes to the PR26, which is included as an appendix to the CAPER.

Policy Regarding Rebates, Refunds and Credits to HUD CPD Programs

All rebates, refunds, and credits to HUD CPD programs will be properly reported. Bid bond forfeiture funds that are not offset by additional costs to select another bidder will be credited to HUD CPD programs at their pro-rata share.

Procedures for Evaluating Travel and Training Costs Charged to the HOME Program

All travel and training expenses charged to the HUD programs must be approved by the Community Development Manager or a Department Director. Prior to approval, travel and training expenses are evaluated based on the following criteria:

- Compliance with 2 CFR 200.472
- Applicability/relevance to CDBG/HOME program goals and objectives
- Eligibility under Federal programs
- Within the allocated budget for that program

Procedures for Allocating and Documenting Personnel Costs Charged to HOME Admin Account

1. Personnel costs charged to HUD programs will follow Section 200.430, of 2 CFR 200. Prior to the beginning of the fiscal year, City of Montebello Staff and the Planning and Community Development Director will evaluate available funding as well as the Admin workload, scope of work and staffing assignments. This evaluation will produce an estimate of staffing needed including percent allocation of each Admin staff member's time dedicated to HUD Programs. These allocation factors will be noted on the employee's action form and transmittal to the City Payroll Department for the affected employee. Compensation (including salary and benefits, if eligible) will be allocated accordingly to the Admin account.
2. All employees whose compensation is charged to Admin will maintain bi- weekly timecards documenting the number of hours charged to various programs. Time cards will represent an after-the-fact distribution of the actual activity of each employee and will account for the total activity for which the employee is compensated. Time cards will be signed by the employee and approved by their Supervisor.
3. Admin staff will conduct a quarterly reconciliation to confirm that employee time cards are consistent with actual time charged to HUD-funded programs. If inconsistencies are found, the costs charges to HUD-funded programs will be adjusted.

Procedures for Allocating and Documenting Personnel Costs Charged to HRPP Account

1. Personnel costs charged to the HRPP will follow Section 200.430, of 2 CFR 200 (including CFDA 14.218 Part Ill)

2. Prior to the beginning of the fiscal year, City of Montebello staff and the Planning and Community Development Director will evaluate available funding as well as the Rehab work loan, scope of work and staffing assignments. This evaluation will produce an estimate of staffing needed including percent allocation of each Rehab staff member's time dedicated to Rehab. These allocation factors will be noted on the employee's action form and transmittal to the City Payroll Department for the affected employee. Compensation (including salary and benefits) will be allocated accordingly to the HRPP account.
3. All employees whose compensation is charged to HRPP will maintain bi-weekly timecards documenting the number of hours charged to various programs. Time cards will represent an after-the-fact distribution of the actual activity of each employee and will account for the total activity for which the employee is compensated. Time cards will be signed by the employee and approved by their Supervisor.
4. HRPP staff will conduct a quarterly reconciliation to confirm that employee time cards are consistent with actual time charged to HRPP. If inconsistencies are found, the costs charged to HUD-HRPP will be adjusted.

Process for Approval of Reimbursement Requests for Consultant Services

Based on the terms of the written agreement with the contractor, city staff reviews reimbursement requests for allowability, eligibility, and reasonableness. All reimbursement requests by the contractor shall include a summary detailing expenses and the amount being charged to the City's HUD programs.

The table below outlines what supporting documentation must accompany reimbursement requests.

COST ITEM	SUPPORTING DOCUMENTS
Salaries	• Requests for reimbursement shall include a summary of the position(s) billed to the contract, the dates that services were provided, total number of hours billed by each position per clay, and the hourly billing rate of each position charged to the City of Montebello activity.
Materials and Supplies	• Copies of invoices/receipts
Other expenses	• Copies of invoices/receipts/billing statements

FINANCIAL REPORTING

In addition to the budgeting, payment processing, and oversight actions described in other sections, the City will undertake the following actions to ensure accurate, current, and complete disclosure of the financial results of HUD-assisted activities in accordance with the financial reporting requirements of the CDBG and HOME Programs.

FFATA Reports

At the end of each month, the Deputy Finance Director will report on all awards in excess of $25,000 using the FFATA subaward reporting system (FSRS) in order to comply with the Federal Funding Accountability and Transparency Act of 2006. For guidance on data entry, refer to the guidance material on www.onecpd.info entitled "FFATA Subaward Reporting System Webinar for CDBG Grantees".

Open Balance Review

On a quarterly basis, the Planning and Community Development Director, Senior Management Analyst and Deputy Finance Director will review the Annual Expenditure Work Plan with IDIS PR 08 to identify slow moving projects. The review will include an assessment of the project's progress and its effectiveness of meeting its objectives. If a project is not on schedule or not effective, staff will develop a workplan and timeline for corrective actions.

Monthly Reconciliation

At the close of each month, the Deputy Finance Director will work with the Senior Management Analyst to reconcile General Ledger expenditures and IDIS drawdowns for all HUD accounts. The information in IDIS, the PR07 Drawdown by Voucher Number, will also be compared to the local Project Report to ensure the IDIS system accurately reflects expenditures and cash balances. All discrepancies will be reported directly to the Finance Director and Planning and Community Development Director who will jointly oversee corrective action.

Federal Cash Transactions Report

Semi-annually, the Senior Management Analyst will prepare and submit the Federal Cash Transactions Report SF-425. The Grant Administrator will take the following steps to reconcile IDIS with the City's local internal financial records:

STEP 1: DETERMINE DRAWS PER IDIS

1. From IDIS, generate the **PR07 Drawdown by Voucher Number Submitted to LOCCS**. Limit the report to the time period in question (i.e. Initial Date: 01/01/2014 and End Date: 06/30/2014 for Q2 of 2014).

2. Import the report into Excel.
3. Filter the report to show Entitlement Draws (EN Fund Type) with a Complete Status.
4. Verify the total amount of Entitlement funds drawn during the quarter by totaling all line items. This is the amount to enter on Line 10a. Cash Receipts of the SF-425.
5. If it is requested by the local HUD field office, the Federal Financial Report attachment can be used to report the amount disbursed from each grant allocation. Sort the PR07 report by the Grant Number field to determine the amount disbursed from each allocation.

STEP 2: DETERMINE EXPENDITURES PER LOCAL SYSTEM

1. From City's Accounting System, generate the **Accounts Payable Invoice Report** for the CDBG Fund. When selecting the date range, include the three months prior to the quarter in question. The City works on a reimbursement basis, meaning a draw that occurred in the current quarter may have been paid in the previous quarter.
2. For each drawdown listed on the PR07, identify the corresponding record on the Accounts Payable Invoice Report and initial the line item. Please note that it will not always be a one to one relationship. One IDIS draw could represent several claims and vice versa. To help with the identification process, reference the Voucher for IDIS Drawdown forms processed during the quarter.
3. Verify that each draw has a corresponding claim. If so, enter the same amount from 10a. on line 10b. of the SF-425 report and enter 0 on line 10c. If there is a discrepancy, report the matter to the the Finance Director for correction.

STEP 3: FILING

1. Complete the remainder of the SF-425 Report and submit it to the local HUD Field Office within 15 days of the close of the quarter.
2. Maintain a copy of the completed and signed SF-425 Report, the PR07 Report, the Accounts Payable Invoice Report, and any notes or related correspondence in a folder labeled Federal Financial Reports.

Schedule of Federal Expenditures

The Finance Department is responsible for preparing, based on information provided by the Community Development Department, the Schedule of Federal Expenditures (SEFA) as part of the annual auditing process. Regarding HOME, the following procedures will be followed to ensure that the SEFA is reconciled:

1. Department of Finance staff will prepare the SEFA in preparation for the annual audit. Expenditures shall be determined using the following guidelines:
    a. Use the same accounting basis as the City's Financial Statements.
    b. Include all expenditures of federal awards for the year, including but not limited to

i. transactions associated with grants, cost-reimbursement contracts, cooperative agreements, and direct appropriations;
ii. federal awards received directly from a federal agency and indirectly from a state agency;
iii. disbursement of funds passed through to sub-recipients;
iv. receipt of loan proceeds under loan and loan guarantee programs; receipt of federal property and surplus property;
v. receipt and use of program income.

c. List all financial assistance from the same federal agency together on the schedule.
d. Within each federal agency section, list all direct awards first followed by indirect awards.
e. Provide subtotals for programs with the same Catalog of Federal Domestic Assistance (CFDA) number.
f. Provide subtotals for assistance received directly and assistance received indirectly.
g. Provide a total for each federal agency.

2. Deputy Finance Director will provide any and all underlying records, claims, and vouchers needed to verify HOME expenditures and draws.

3. Director of Finance or his designee will review the draft SEFA for:
   a. reported expenditures against information from the Eden system;
   b. the correct CDFA and agency information is provided, including identification of pass-through entities.
   c. that the draft version presents the minimum data elements required by 2 CFR 200 Subpart F.

4. Director of Finance will provide the draft SEFA to the outside auditing firm for review.

5. Director of Finance will work with staff and outside auditing firm to address any errors, omissions or weaknesses.

Program Income

Drawdowns of funds through IDIS will occur at least monthly. It is anticipated that monthly IDIS drawdowns of expenditures will greatly exceed monthly program income. Interest earnings on program income that are not offset by monthly expenditures will be credited to the appropriate program.

There are currently two sources of HOME program income.

Program income from the home rehabilitation program. The loan servicer receives loan repayments and creates a monthly report to the City. The repayments are forwarded to the City and deposited into different accounts used for loan repayments. As described above, this program income is drawn down first when funds are drawn down for any appropriate activity.

Program income from housing activity. A few housing development projects received funds and loan repayments are made when there is surplus cash or residual receipts at the end of the year, as evidenced by the developments' annual financial audits. The amount of program income is determined by the loan terms indicated in the promissory note or appropriate funding agreement. The Planning and Community Development Director records the loan repayment and forwards it to Finance to deposit. As above, the program income is drawn down first when funds are drawn down for any appropriately funded activity.

Reimbursement Process in IDIS

The City will adhere to the following procedure to pay HOME-related claims monthly:

- Within IDIS, the Accountant creates program income receipts based on monies received since the last drawdown
- Accountant reconciles Invoice Report with Draw Schedule and alerts the Finance Department to any discrepancies
- Within IDIS, the Senior Management Analyst will create IDIS draw voucher based on the actual expenditures incurred by the City. Once the drawdown voucher is created, the Senior Management Analyst will print a screenshot of the voucher creation screen from IDIS, record the Voucher Number on the Departmental Budget, and alert the Finance Department that the drawdown is ready for approval
- Finance Director approves drawdown voucher in IDIS. Funds will wire transfer to City designated account in two to three business days
- Upon receipt of wire transfer from the U.S. Treasury, the Finance Department Accountant will alert the Finance Director of receipt by forwarding the report with the HOME disbursements identified. The General Fund will be reimbursed for the HOME costs that were advanced

TIMELINESS REVIEW

On a monthly basis, the Senior Management Analyst will generate and review with Finance Director, the CDBG Timeliness Report and evaluate the timeliness of HOME expenditures.

Internal Controls

The City of Montebello internal controls include a combination of procedures, specified job responsibilities, qualified personnel, and records that together create accountability in an organization's financial system and safeguard its cash, property, and other assets. The City's internal controls make sure that:

1. Resources are used for authorized purposes and in a manner consistent with applicable laws, regulations, and policies,
2. Resources are protected against waste, mismanagement, or loss, and
3. Reliable information on source, amount, and use of resources are secured up-to-date, and recorded.

Additionally, internal controls will ensure that no single individual has authority of an entire financial transaction.

Specifically, that the City has a separation of power for the following three responsibilities:

1. Authorization to execute a transaction,
2. Recording of the transaction, and
3. Custody of assets involved in the transaction. This type of separation of responsibilities will create a system of checks and balances for grant and general organization expenditures.
4. The City will periodically reconcile its financial records to actual assets and liabilities which will safeguard resources as well as detect instances of fraud or misuse.

Record-Keeping

OVERVIEW

The HOME Program has recordkeeping and reporting requirements to document that HOME funds are used appropriately and that HOME Program objectives are being met.

Under the HOME Program regulations, the City of Montebello is required to meet certain record-keeping and reporting requirements that are designed to:

a. Ensure consistency with HOME program requirements;
b. Clarify the record retention periods; and
c. Include new records that exercise any of the three new options allowed in the Final Rule (i.e., multi-family refinancing, presumption of affordability for homebuyer assistance, and locally-established 95 percent of area median purchase price limits).

PROCEDURE

1. The City of Montebello will maintain records that include:

    a. Program records;
    b. Project records;
    c. CHDO records;
    d. Financial records;
    e. Program administration records; and
    f. Records concerning other Federal requirements.

2. **Maintain PROGRAM RECORDS that include:**

    a. Written agreement with the City of Montebello and documentation of compliance with the written agreement;
    b. A copy of the application originally submitted to the City of Montebello;
    c. Forms of assistance used;
    d. Procedures for establishing 95 percent of median value;

3. **Maintain Project Records that include:**

    a. Location (with a map),

    b. Form of assistance,

    c. Number and identification of units or tenants associated with HOME.

    d. Source and application of funds;

    e. Compliance with maximum per-unit subsidy limits and subsidy layering guidelines;

    f. Compliance with property standards and lead-based paint requirements;

    g. Compliance with income-eligibility requirements;

    h. For rental projects, compliance with income targeting, affordability and lease requirements;

    i. If multi-family or single-family refinancing is provided, compliance with established guidelines and/or requirements;

    j. If multi-family new construction, results of the site and neighborhood standards review conducted;

    k. For homeownership projects, compliance with maximum property value and affordability requirements; and

    l. If pre-award costs, compliance with applicable requirements.

4. **Maintain CHDO records that include:**

    a. Written agreement with the City of Montebello;

b. Documentation of qualification as a CHDO, including:

   i. Documentation of nonprofit status;
   ii. Current board list that identifies low-income representation;
   iii. Documentation of low-income community input (e.g. minutes from community meeting);
   iv. Documentation of organizational capacity (e.g. resumes of staff members);

c. Documentation of uses of CHDO set-aside funds, including funds for capacity-building (if applicable); and

d. Current project descriptions.

5. Maintain Financial Records that include:

a. Source and application of funds;

b. Treasury and local HOME accounts;

c. Source and application of program income, repayments and recaptured funds; and
d. Budget control measures, including periodic account reconciliations.

6. Maintain Program Administration Records that include:

a. Compliance with written agreements;

b. Compliance with applicable uniform administrative requirements; and

c. Inspections, monitoring reviews and audits, and resolution of any findings or concerns.

7. Maintain Documentation Records that include:

a. Equal opportunity and fair housing;

b. Affirmative marketing and minority/women's business outreach;

c. Environmental review;

d. Acquisition, relocation, displacement, and replacement of housing;

e. Labor standards;

f. Lead-based paint;

g. Conflict-of-interest; and

h. Debarment and suspension.

8. **RETAIN RECORDS** FOR a period is five (5) years including:

a. **Housing Rehabilitation:**

i. General records must be kept for five years after project completion

b. **Rental**: For rental housing records:

i. General records must be kept for five years after project completion; and
ii. Tenant income, rent and inspection information must be kept for the most recent five years, until five years after the affordability period ends.

c. **Homeownership**: Homeownership records must be kept for:

i. Five years after project completion; and
ii. For resale/recapture records, five years after the affordability period ends.

d. **Written agreements**: Generally, all written agreements must be maintained for five years after the agreement ends.

e. **Displacement and acquisition**: Displacement and acquisition records must be kept for five years after final payment to displacees.

9. ACCESS TO RECORDS

a. Provide citizens and other interested parties with reasonable access to records. Access will be consistent with applicable state and local laws regarding privacy and obligations of confidentiality.

b. Provide citizens, public agencies and other interested parties with reasonable and timely access to information and records relating to the City's Consolidated Plan and the use of assistance under the programs covered by the Consolidated Plan.

c. Provide access to HUD and the Comptroller General of the United States, or any of their representatives, to any records for auditing, excerpt, or transcript purposes.

Reporting Requirements

OVERVIEW

HOME Program regulations require the City of Montebello to submit an annual report, called the Consolidated Annual Performance and Evaluation Report (CAPER), to HUD within 90 days of the close of City's program year. This is in accordance with the Consolidated Plan regulations at 24 CFR Part 91. The CAPER incorporates not only HOME Program information, but also the reporting requirements for the Community Development Block Grant (CDBG) program.

1. The City of Montebello HOME Program is required to meet certain reporting requirements, which are outlined below, in order to support the City in meeting its annual HOME Program reporting requirements.

2. The CAPER must include:

    a. A summary of resources and programmatic accomplishments; and
    b. The status of actions taken during the year to implement the overall strategy, which includes a self-evaluation of progress during the past year in addressing priority needs and specific objectives.

PROCEDURE

1. The HOME Program Consultant or Community Development Staff will complete a Semi-Annual Status Report as well as Project Set Up and Completion Reports for all projects.

2. The HOME Program Consultant or Community Development Staff will complete a Semi-Annual Status Report for all open projects. This report will include, at a minimum, the following sections:

    a. Narrative. A narrative section outlining project milestones achieved;

    b. Funding. A funding status update including all draws; and

    c. Issues/Concerns. The report should outline any issues or concerns that may require the assistance.

3. The HOME Program Consultant or Community Development Staff will complete a Project Setup and Completion Form with request for retainage payment. The forms used differ by activity (Homeowner Rehab, Rental, and/or Homebuyer).

4. The HOME Program Consultant or Community Development Staff will enter the data into the IDIS system and report completed projects to HUD.

Monitoring

OVERVIEW

To meet reporting requirements, the City must monitor its HOME Program activities for compliance and document the results.

PROCEDURE

The HOME Program Consultant or Community Development Staff will maintain and implement the following:

1. Maintain monitoring reports in each project file.

2. Monitor the HOME Program based on the individual activity.

    a. Owner Occupied Projects (Homeowner Rehabilitation and Homebuyer (if applicable): the City's loan service provider will monitor owner occupied projects for principal residency throughout the affordability period.

    b. Rental Projects (if applicable): the City will monitor rental projects for the following factors:
        i. Occupancy (income requirements);
        ii. HOME Rents; and
        iii. Property standards (units must meet HQS.)
        iv. Rental property owners must submit an annual Rental Compliance Report to the City to be reviewed.

    c. For rental projects, on-site inspections of HOME properties will occur according to the total number of units in a project as follows:
        i. 1-4 units – every 3 years
        ii. 5-25 units – every 2 years
        iii. 26 or more units – annually

    d. Sampling Units: large projects only require a sufficient sample to be inspected annually, at least 15-20% of the HOME-assisted units in a project and a minimum of one unit in every building.

HOME PROGRAM RISK ANALYSIS, MONITORING PROCESS, AND PLAN

The Risk Analysis and Monitoring Process

It is the policy of the City of Montebello HOME Program to monitor all HOME-projects for risk analysis, program compliance, and long-term sustainability. The City's Monitoring plan will address three HOME components:

1. The structures and infrastructures financed with HOME funds;
2. The actual beneficiaries of HOME program expenditures; and
3. The actual documentation that describes the actions and intentions of program participants (whether subrecipient, developer, or contractor).

PROCEDURE

The City's Monitoring Procedure will include the review of three general areas:

1. Administrative and Financial Monitoring
   This monitoring will address program compliance and cross-cutting requirements;

2. Program Monitoring
   This monitoring will address overall HOME program performance;

3. Project Monitoring
   This monitoring will address specific HOME project compliance.

The goal of the City's monitoring process is to conduct a risk analysis to determine which program areas and specific HOME-funded projects should receive intensive monitoring in a given year. While attention will be paid to "higher risk" projects, the HOME Program will, at a minimum, conduct a "desk monitoring review" of all funded HOME projects on an annual basis.

To the greatest degree possible, the City's monitoring checklists will incorporate the questions and concerns outlined in the CPD Monitoring Handbook 6509.2, Rev-6, Chapter 7 Program exhibits on the following page:

CPD Monitoring Handbook 6509.2, Rev-6, Chapter 7:

Exhibit 7 - 1	HOME Participating Jurisdiction Pre-Monitoring Information Sheet
Exhibit 7 - 2	Guide for Review of Overall Management Systems
Exhibit 7 - 3	Guide for Review of Homeowner Rehabilitation Projects
Exhibit 7 - 4	Guide for Review of Homeowner Rehabilitation Programs
Exhibit 7 - 5	Guide for Review of Homebuyer Projects
Exhibit 7 - 6	Guide for Review of Homebuyer Programs
Exhibit 7 - 7	Guide for Review of Rental Projects
Exhibit 7 - 8	Guide for Review of Rental Programs
Exhibit 7 - 11	Guide for Review of Community Housing Development Organization (CHDO) Qualifications and Activities
Exhibit 7 - 12	**12** Guide for Review of Community Housing and Development Organization (CHDO) Procedures
Exhibit 7 - 13	Guide for Review of Match Requirements

Exhibit 7 - 14	Guide for Review of Beneficiary Written Agreements
Exhibit 7 - 15	Guide for Review of Contractor Written Agreements
Exhibit 7 - 16	Guide for Review of Owner, Developer, Sponsor Written Agreements
Exhibit 7 - 17	Guide for Review of State Recipient Written Agreements
Exhibit 7 - 18	Guide for Review of Subrecipient Written Agreements
Exhibit 7 - 19	Guide for Review of Subrecipient Management
Exhibit 7 - 20	Guide for Review of Financial Management **Attachment:** Attachment to Exhibit 7-20 Reviewer's Guide for Financial Management Review of HOME Participating Jurisdictions (PJs)
Exhibit 7 - 21	Guide for Review of Cost Allowability
Exhibit 7 - 22	Guide for Review of Procurement
Exhibit 7 - 23	Guide for Review of Equipment and Equipment Disposition

PROCEDURE

Note: While the City of Montebello does not operate all HOME program activities, they are listed here in the possibility that the City of Montebello may decide to operate such in the future.

A. Timing of HOME Monitoring

It is the policy of City of Montebello to conduct HOME monitoring as an ongoing process. The City will conduct on-going monitoring in three phases:

1. Initial review, analysis, and feasibility of project eligibility during threshold reviews
2. Monitoring during project development , implementation and operation
3. Monitoring for long-term sustainability and project completion

The on-going monitoring process is outlined in the following graphic:

B. Monitoring Objectives

C. At a minimum, the objectives of the City's HOME Monitoring process will include the following:

1. Identify and track HOME program and project results;
2. Identify technical assistance needs for HOME, Subrecipient, developer and contractor staff;
3. Ensuring timely and appropriate expenditures of HOME funds;
4. Documenting compliance with all HOME and federal cross-cutting requirements;
5. Guaranteeing that federal funds are spent on eligible, allowable, and allocable costs; and
6. Making programmatic changes as necessary to safeguard the HOME program for the future.

It is the policy of City of Montebello to guarantee that all HOME program participants, whether Subrecipients, developers, contractors, or other HOME-funded entities, will comply with all HOME monitoring policies and objectives.

D. Risk Assessment Process

The City of Montebello monitoring process is based on risk analysis that attempts to quantify certain factors that can diminish the productivity and compliance of a funded HOME activity. To determine the relative risk of a specific HOME funded

activity, the City of Montebello will use the following HOME Risk factors to help determine those HOME projects and activities that receive both immediate monitoring preference (including on-site visit, greater than normal staff attention) and possible program interventions.

E. HOME Risk Assessment Criteria, City of Montebello

The City of Montebello has adopted the following criteria to be used in determining the relative risk of a HOME project or activity is found on the following page.

Subrecipient/Developer or Project Name Date:

Risk Factor	Type of Risk Factor	Risk Criteria		Comments
Project Complexity	Type of Program	Homeowner Rehab		
		Rental		
		CHDO-set-aside		
		Other (Specify)		
	Number of units	How many?		
	Number of beneficiaries	How many?		
	Multi-year project	Yes or No?		
	Multi-financed project	HOME only?		
		# of lenders:		
Capacity of Subrecipient or Developer	Project staff turnover	Last year?		
	Past staff HOME experience	List projects		
	Projects completed	Number _____		
	Current awards	$ _____		
	Project Completion	Est. date _____		
	Meeting all timelines	Yes or No?		
	Spending timeliness	Yes or No?		
	Changes in organization	Within last year?		
Project Capacity	Amount of contract	$		
	Duration of contract	# days:		
	Development Team findings	Outstanding findings?		
Documentation	Timely Reports	Any outstanding?		
	Audit submissions	Always timely?		
		Any audit findings?		
	Project documentation	Documents missing?		
	Regulatory compliance	Outstanding issues?		
Other Concerns	Regulatory Knowledge	Yes or no?		
	Outstanding issues	Yes or no?		
	Beneficiary complaints	Yes or no?		
	General Comments	Yes or no?		

EXHIBIT 14 - HOME Project Risk Assessment

F. Monitoring Schedule and Strategy

Based on the risk analysis factors outlined above, the City will conduct HOME monitoring in the following manner:

DESK REVIEWS are conducted throughout the program year as reimbursement requests are submitted and quarterly when status reports are submitted. Desk reviews will include an analysis of all submitted reports, IDIS reports, draw requests and invoices and the risk factors outlined below. When desk reviews trigger "high risk" projects, the City will schedule on-site monitoring. A desk review should pay particular attention to the HOME application and executed HOME written agreement.

ON-SITE MONITORING will involve a site visit to the project to conduct an on-site document review and a physical assessment of any structural expenditure paid for with HOME funds at commencement of construction, completion of project, or when warranted by risk assessment. The on-site monitoring process will include the following steps and sample formats for letters of notification may be found in Exhibit A.

PRE-SITE VISIT PREPARATION is prepared by HOME staff for the on-site visit by reviewing the following in-house information:

a. HOME funding application
b. HOME written agreement
c. HOME progress reports
d. Draw requests and supporting documentation
e. IDIS reports
f. Any HOME project correspondence
g. Any previous monitoring reports
h. The most recently submitted financial audits

1. Pre-Visit Letter prepared by the HOME staff to the project staff outlining the date, agenda, information to be available, staff to be accessible, and any specific areas that the staff plans to monitor on-site.

2. Monitoring Checklist will be provided by the HOME staff will provide the appropriate project monitoring checklists from Exhibit 16, which will be utilized during the site visit. As necessary, HOME staff will use exhibits from the CPD Monitoring Handbook, Exhibit 7, HOME Program.

3. **Conducting the Monitoring Visit**

At a minimum, the on-site monitoring visit will consist of the following steps:

1. Entrance conference: to reiterate the purpose and goals of the visit
2. On-site data documentation and research
3. Visits with staff and beneficiaries
4. Exit conference: to present preliminary conclusions and "next steps"

4. **Post-site Visit Follow-up**

Within two weeks of the exit interview, the HOME monitor will follow-up with the monitoring visit with a follow-up letter that outlines:

a. Projects monitored
b. Monitoring staff who conducted the visit
c. Date(s) of the monitoring visit
d. List of documents reviewed
e. List of individuals interviewed
f. Any conclusions reached from the visit
g. Strengths and weaknesses of the project
h. Any specific areas of non-compliance or findings
i. Suggested corrective actions to "cure" any findings

5. **Corrective Actions (if necessary)**

The HOME Monitor will establish a date specific for a response to the monitoring letter, for all corrective actions to be completed, and for the City to respond to the corrective actions.

6. **Subsequent Follow-up**

The City reserves the right to revisit the project to determine compliance and when corrective actions are not undertaken, to use any and all remedies outlined in the HOME written agreement and HUD rules and regulations to enforce compliance**.**

In the final analysis, the results of City HOME monitoring will be a factor in determining funding in future year's HOME competition for funding.

EXHIBIT 15 – Sample Monitoring Visit Letters

NOTICE TO SUBRECIPIENT OR DEVELOPER OF COMPLIANCE REVIEW

(Date)

John Doe
35 Street Road
City of Montebello, CA

Dear Mr./Ms. Doe:

Subject: Compliance Review HOME Program

We are planning to conduct a compliance review of your HOME project. This review will cover all aspects of your project administration and operations.

The review will take place on _____, _____ _____, 20____, at _____a.m. The review will be conducted by _____, our HOME analysts.

It would be appreciated if you and members of your staff could give _____ whatever assistance is required to conduct the review. Should timing or scheduling pose a problem, however, _____ can be contacted by calling _____

Sincerely,

Housing Analyst

cc: Joe Palombi
Director of Planning and Community Development
City of Montebello

SAMPLE COMPLIANCE REVIEW

(Date)

John Doe
35 Street Road
City of Montebello, California

Dear Mr./Ms. Doe:

Subject: Compliance Review HOME Program

Reference is made to our letter of _____, in which we requested your assistance in our review of compliance under your HOME program. As a result of our review, we have noted the following items which we feel should be brought to your attention. These items are based on our review of _____ projects.

A. Projected Analysis

B. Major Findings

Our review of _____ projects has revealed the following major problems:

- *designated corrective action*

Should you have any questions concerning our review, please contact _____, _____ at (__)_____.

Sincerely,

Housing Analyst

cc: Joe Palombi
Director of Planning and Community Development
City of Montebello

EXHIBIT 16 – Monitoring Checklists

Questions to be asked/answered:	**Y**es/**N**o/ **N**ot **A**pplicable /**N**ot **R**eviewed	Information Source	Comments (Attached)
1. Design program, establish goals and objectives, establish eligibility criteria, and identify tasks to be accomplished.			
2. Establishment of program files including:			
a. Contract file			
b. Equal opportunity file			
c. Applicant file			
d. Service recipient file (clients)			
e. Financial file (audit, HOME funds by year, ESPR's etc.) Files for other funding sources, expenditures.			
f. Quarterly Status Report files			
g. Correspondence file			
h. City Information Memo to Subrecipients (CIMS) file			
i. Monitoring file			
3. Solicitation for clients			
4. Program delivery			
5. Have the types of assistance/services to be provided been identified?			
6. Has a target area been established?			
7. Is there a standardized applicant selection process?			
8. Does the organization maintain records on recipients to include data on ethnicity, female head of household?			
9. Have applicant eligibility criteria been established using HUD income levels? Other criteria?			
10. Does the organization require a certification of income eligibility?			
11. Other:			

CONSTRUCTION/PUBLIC IMPROVEMENTS CHECKLIST

Questions to be asked/answered:	Yes/No/Not Applicable	Comments
<u>Architectural and/or Engineering (A/E)</u> **A/E solicitation** - RFP, solicitation letter or notice - Statement of required qualifications - Ensure professional's eligibility		
Are the following documents on file: - Selection criteria document and/or selection procedure - Acceptable review of proposals/qualifications		
Contract provisions - General administrative provisions - Scope of services - Method of compensation - Federal compliance standards provisions		
A/E Documents - Executed A/E contract - Verification of Qualifications - Records of payments and supporting documentation - Contract amendments, if any - Correspondence		
<u>Bid Document and Bid procedural documents</u> Copy of bid document on file?		
Bid document contents: Technical bid specifications Copy of applicable Federal Wage Determination Schedule Section 3 requirements and form		
Procedural documents on file Copy of Invitation to bid (or advertisement) on file? Letter of Bid Opening Letter of Award or Notice to Proceed		
<u>Pre-Construction Conference</u>: Was a pre-construction conference held? Date? Attendance list (sign-in sheet)? Minutes of the pre-construction conference?		
<u>Construction Contract:</u> Is there an executed contract in the file (with signed certifications)?		
Contract contents Specification documents (could be Bid Package)		

HUD 4010 "Federal Labor Standards Provisions" Applicable DOL Federal Wage Determination Schedule (or reference)		
Contract contents (continued) - Records retention clause - Contract termination clause - Cost information - Timetable including payment schedule - Bonds (Performance, Labor/Materials, etc.) - Insurance - Change order policy		
Prime Contractor Documents Are the following Prime Contractor items on file? - Prime Contractor's eligibility (verification) - Contractor's authorization form on file for payroll signature? - "Certification of Understanding and Authorization" for unauthorized persons to sign payrolls - Applicable Federal Wage Decisions (if any) Form HUD-4230A "Report of Additional Classification and Rate" (if any) - Certification for Applicable Fringe Benefit Payments for non-State/Federal deductions" ("Other", if any) signed by employee - Section 3 Reports		
Payroll Documents: - Form WH-347 "Certified Payrolls" on file - Form WH-348 "Statement of Compliance" (signed) - Are the payrolls numbered? - Is there evidence of staff review and initials?		
Do the payrolls include: - Name - Address (required on first payroll only) - Social Security Number (required on first payroll only) - Correct classification - Hourly rates of wages paid - Daily and weekly number of hours worked - Deductions made - Actual wages paid		

Is there a correspondence file containing wage dispute information, violations, and wage restitution?		
Apprentices Are all apprentices' part of a registered apprentice/trainee program verified by documentation?		
Do the apprentice/trainee ratios and wage rates comply with programs?		
Employee interviews Were employee interviews conducted? Are Form HUD-11 "Employee Interview" on file? Are forms complete? Were sufficient employee interviews conducted? (One per sub-contractor; 10% of classification, etc., which are representative of trades and workers.)		
Job site inspections Are there records of job site inspections for required signage, i.e., EEO posters, wage determination, etc? Pictures of job site verifying signage and posters?		
Project Documents: Change Orders: - Are copies of all change orders on file? - Are change order approval letters on file (or evidence of approval)?		
Construction management documents: - Payment records? - Proof of payment (copies of checks, etc.)? - Milestone records? - Notice of completion?		
Project Completion documents: - Final Inspection and Acceptance - Completion of Compliance Files - Close-out Procedures (if any) - Completion Letter to HUD		

ENVIRONMENTAL CHECKLIST

Questions to be asked/answered:	**Y**es/**N**o/**N**ot **A**pplicable/ **N**ot **R**eviewed	Information Source	Comments (Attached)
Is the project in compliance with federal labor standards provisions?			
Have environmental reviews been cleared?			
Has the City and HUD issued formal approval to proceed?			
Is there evidence of compliance with CEQA?			
Is the project consistent with Citywide environmental goals?			
Has the project been reviewed for: - Categorical exclusion? - Applicability of prior environmental reviews?			
Does the environmental review process include: - Assessment of project environmental effects? - Assessment of cumulative impacts? - Assessment of mitigations? - Implementation decisions? - Follow-up monitoring and inspection?			
Does the file contain: - A notice of release of funds? - A request for release of funds and certification? - State and local environmental analysis and reports?			
Is there evidence of compliance with NEPA?			

FINANCIAL/ACCOUNTING CHECKLIST

Questions to be asked/answered:	**Y**es/**N**o/ **N**ot **A**pplicable /**N**ot **R**eviewed	Information Source	Comments (Attached)
Does the organization operate on a basis of: - Cash - Accrual			
Does the organization maintain: - A double entry accounting system? - A general ledger? A cash receipts journal? - A cash disbursements journal? - A payroll ledger?			
In the cash journal, is the following included: - Date? - Receipt number: - Cash debit columns? - Income credit columns?			
Do income credit columns (above) identify: - Organization/city payments? - Contributions? - Other income? - Description?			
In cash disbursements journal, is the following included: - Date? - Check number? - Cash (credit) column? - Expense account name? - Description?			
Does the General Ledger include: - Assets? - Liabilities? - Fund balances? - Expenditures? - Revenues?			
Does the Payroll Ledger include: - Name? - Position?			

- Social Security Number? - Payment records, including: Accrual period? Gross pay? Itemized deductions? Check number?			
Does Petty Cash include: - Record of disbursements? - Supporting receipts?			
Are checks filed numerically?			
Are invoices filed by date?			
Are invoices filed by vendor name?			
Are vouchers filed numerically?			
Are timecards filed by date?			
Are timecards filed alphabetically?			
Are purchase orders on file?			
Are ESPRs on file?			
Are encumbrances/obligations recorded against HOME funds?			
Do the following seem reasonable and necessary: - Salaries and related costs? - Administrative services? - Contracts? - Travel expenditures? - Other administrative costs?			
Is there program income?			
If program income, is there evidence of: - Revenue accounts? - Revenue procedures?			
Is program income in accordance with contract?			
Are any and all advances maintained in interest-bearing accounts?			
Do financial records allow for the following kinds of disclosure of financial results: - Current? - Accurate? - Complete?			
Is there effective control over funds?			
Is there effective accountability for funds?			
Are costs exceeding the budget?			
What procedures are used to allow changes to the original budget?			

How effective are the financial management systems?			
Is there fiscal integrity of all financial transactions?			
Is there a procedure to ensure the timely and appropriate response to and resolution of audit findings?			
Is there analysis of and explanation for cost overruns?			
Is there analysis of and explanation for high unit costs?			
Is there a need for change in the budget estimates?			
FOR PROJECT ACCOUNTS ONLY: - Are separate account numbers maintained for each project activity? - Can project costs be broken out on a line item basis? - Can budget line items be compared against incurred cost?			
Are there regular financial status reports?			
Are there appropriate controls for accountability?			
Is there an approved budget for the project?			
Is there reconciliation of financial data and quarterly status reports?			
Is there program income?			
Is there evidence of internal monitoring?			
Is source documentation collected prior to any disbursements?			
Are independent audits conducted?			

IDENTIFICATION OF GOALS/ELIGIBLITY CHECKLIST

Questions to be asked/answered:	**Y**es/**N**o/ **N**ot **A**pplicable /**N**ot **R**eviewed	Information Source	Comments (Attached)
Has the organization identified: - A scope of services? - The number of people to be served? - The time period in which the project is to be completed? - Its intended client group? - The number and percentage of persons of lower/moderate income?			
What are the measurable goals of this project?			
What are the measurable accomplishments of the project to date?			
What are the reasons for goals not having been met?			
Was a needs assessment conducted?			
How adequate was the project proposal?			
What are the project's strengths?			
What are the project's weaknesses?			
Is there evidence of compliance with HOME primary objectives?			

PROCUREMENT CHECKLIST

Questions to be asked/answered:	**Y**es/**N**o/ **N**ot **A**pplicable /**N**ot **R**eviewed	Information Source	Comments (Attached)
Is there an established method for procurement?			
Does the procurement method include: - Small purchases? - Competitive sealed bids? - Competitive negotiation?			
Are there bonding and insurance requirements listed?			
Is there a procedure to encourage contracting with: - Section 3 businesses - Small businesses? - Minority-owned businesses? - Women-owned businesses? - Labor surplus area businesses?			
Is there evidence of affirmative action?			
Have written standards of conduct been established? If yes, has disciplinary action been defined?			
Is there a procedure to avoid conflict of interest?			
Is there a procedure for ensuring no unnecessary or duplicative purchase?			
Is there a clear and accurate description of the technical requirements in all procurement documents?			
In procuring, is there consideration of: - Contractor integrity? - Past performance? - Financial and technical resources? - Price and/or cost analysis? - System for contract administration?			
Are there established requirements for professional services?			
Is maximized competition encouraged?			
Are there complete files on all procurements?			

PROJECT MANAGEMENT CHECKLIST

Questions to be asked/answered:	**Y**es/**N**o/ **N**ot **A**pplicable /**N**ot **R**eviewed	Information Source	Comments (Attached)
Has the project schedule been identified?			
Is there appropriate separation of HOME and non-HOME records?			
Is there a procedure for procurement?			
Is there a procedure for contracting?			
Is there maintenance of client files?			
Is the project manager sufficiently involved in the day-to-day operations of the project?			
Is the project in compliance with the following aspects of the contract: - Operating budget? - Scope of service? - Intended beneficiaries - Method of payment? - Performance schedule? - Use of program income?			
Is there any evidence of conflict of interest?			
Have procedures for relocation been developed?			
Have milestones been established?			
Does the organization have insurance coverage?			
Is there a sufficient number of people on staff?			
Does the organization track the project's physical progress?			
Is the organization aware of civil rights requirements?			
Does the organization attend subgrantee meetings?			
What is the organization's capacity to continue to use HOME funds?			
Is there a listing of officers and directors on file?			
Is there a proof of the organization's legal authority?			
Does the organization have a policy on the disposition of HOME-funded property?			
Do the conditions of employment seem adequate?			

Is there compliance with and knowledge of: - Environmental requirements? - Historic preservation? - Hatch Act? - National Flood Insurance Program? - Clean Air Act? - Federal Water Pollution Control Act? - Lead-based Paint Poisoning Prevention Act?			
Is there any evidence for potential delays or adverse conditions?			
What favorable events have occurred throughout this project?			
Is the project manager sufficiently familiar with HUD's basic requirements?			
Are records kept for a minimum of three years?			
Is there evidence of lobbying with HOME funds?			

REHABILITATION CHECKLIST

Questions to be asked/answered:	**Y**es/**N**o/ **N**ot **A**pplicable /**N**ot **R**eviewed	Information Source	Comments (Attached)
Rehabilitation Program Administration			
Is the program design and administration adequate?			
Has a contracting process been established?			
Is there a reasonable relationship between workload and staffing? (e.g., 25 cases per person)			
Is there a lump sum agreement in effect?			
Is there a plan for minimizing displacement?			
Is this: - A grant program? - A direct loan program? - A leveraged loan program?			
Are the following tracking system documents maintained: - Property inspection? - Loan processing status? - Approved projects? - Construction status?			

- Record of cases?			
Are the procedures and documentation for ensuring low/mod benefit adequate?			
Is there a clear record of administrative costs?			
Is there compliance with and knowledge of: - Environmental requirements? - Historic preservation? - National Flood Insurance Program? - Lead-based Paint Poisoning Prevention Act?			
Have the following steps been taken: 1) Establishment of goals and objectives? 2) Program design/procedural requirements established: - Eligibility criteria (property, applicant, types of improvements - Maximum grant/loan amount - Contracting requirements 3) Management organization and staffing? 4) Solicitation for clients/preliminary screening of applicants? 5) Work write-ups, cost estimates and selection of recipients? 6) Rehabilitation contracting?			
Individual Rehabilitation Files and Cases			
Do the individual rehabilitation case files include the following: - Case activity log? - Applicant data sheet? - Title/deed? - Income verification? - Property description? - Occupancy data? - Tenure? - Work write-up? - Executed contracts? - Change orders? - Inspection reports? - Payment requests? - Certificate of completion? - Liens and/or waivers?			
Is the following material on file: - Contract package for rehabilitation projects?			

- Notice of acceptance of work? - Release of lien forms? - Evidence of historic preservation data on each property rehabilitated? - Evidence of flood control insurance for each property rehabilitated?			
Code Enforcement Program Checklist			
Is there a Code Enforcement program that coordinates with the Housing Rehabilitation Program?			
How are code enforcement cases identified?			
How are the cases recorded? Categories?			
How are closed cases recorded and reported for HOME?			
What is the staffing for the Code Enforcement Program?			
Does the City have a Code Enforcement program for non-HOME eligible areas? How is it kept separate?			

Integrated Disbursement and Information System (IDIS)

The City of Montebello is required by HUD to use the IDIS system to accomplish two key objectives:

1. To manage and account for disbursements of HOME funds; and
2. To collect, consolidate and report information regarding HOME Program performance.

The City of Montebello will implement the following general IDIS procedures:

1. Complete all HOME Program Set-up forms to ensure that all HOME Program requirements have been met, no work shall begin until all documentation has been executed and a Notice to Proceed is issued by the City of Montebello.

2. Disburse HOME Program funds only when all of the following conditions have been met:

    a. Required environmental review process has been satisfactorily completed.

    b. Project closing documents are finalized.

c. The City has approved the timing of HOME Program fund disbursements (e.g., how the funds will be disbursed: at the beginning of the project or on a prorated basis, or as final funds are disbursed); and

d. Disburse funds according to the payment details including timeline for reimbursement outlined in the project closing documents, specifically the HOME Written Agreement.

e. Retainage will be released thirty (30) days after the final inspection is approved and upon the City's receipt of pay request and all completion documentation.

3. If any HOME Program funded project has an available balance after development completion and release of retainage, City of Montebello will de-obligate those funds and reallocate such balance of HOME Program funds to other eligible activities according to City of Montebello adopted HOME Program allocation process.

CHAPTER 7: OTHER FEDERAL REQUIREMENTS

The Federal requirements addressed in this chapter are non-discrimination and equal access, employment and contracting, environmental requirements, lead-based paint, and relocation.

While the HOME Program has its own regulations, there are additional cross-cutting federal requirements that must be identified and complied with at the appropriate point in project management.

a. Exhibit 17 presents guidance on the impact of these additional requirements on the HOME project; and

b. Exhibit 18 describes how the City may demonstrate compliance with applicable requirements.

EXHIBIT 17: Managing A Project Subject to Other Federal Requirements	
Requirement	**Impact on the Project**
Environmental review of activities	A City cannot commit funds to a project until the appropriate level of environmental review is completed and a Release of Funds is received.
Section 3	Construction contracts of $200,000 or more must include language regarding best efforts to include businesses and low-income residents in the project area. This applies to the hiring of additional workers and training them, and using project-area suppliers for materials. The City of Montebello may set specific goals based on additional requirements set by HUD that may impact how quickly the project can get under construction.
Women/Minority Business Enterprise	All competitive bidding must include Women and Minority Businesses, including sub-contracts. The City must ensure that these firms have a fair opportunity to participate and current lists of W/MBE firms must be maintained.
Contractor selection	The City must check the website at www.sam.gov to determine if a contractor has been suspended or disbarred before awarding HOME funds to any firm. All building projects in excess of $100,000 must be designed by a state-licensed architect and all infrastructure projects in excess of $25,000 must be designed by a state licensed engineer.
Procurement	The City's procurement policies specify bidding requirements for construction, including competitive and formal bidding.
Conflict of interest	The City need be fully aware of parties involved in a contract and seek legal counsel if there is the potential for real or perceived COI.
Equal Employment Opportunity	The City must ensure that all construction contracts over $10,000 (including sub-contracts) have language prohibiting employment discrimination based on race, color, religion, sex, or national origin.

Lead Safe Housing Requirements (rehab of pre-1978 units)	When there is HOME assistance involving pre-1978 properties, the City must have qualified staff (or hire them for the project) to notify occupants of the hazards of LBP and take the appropriate approach for various activities; qualified staff must be involved in inspections and clearance actions and report preparation.
Cost reasonableness	The City must have qualified cost estimators available to assist in bid preparation and contract awards, as well as reviewing payment requests.
Americans with Disabilities Act (ADA)	The City must make an internal review of its programs and communications to ensure they are accessible to and usable by persons with disabilities. This may include working with advocacy groups to achieve compliance.
Fair Housing requirements	The City must determine if there are under-served populations who are eligible for HOME assistance, and if they are non-English speaking or have literacy challenges, the agency may work with advocacy groups to translate or otherwise reach these households.
Affirmative Marketing	The City must develop and adopt an Affirmative Marketing Plan and ensure that owners of properties with five or more HOME units are aware of the policy and follow it.
Section 504	The City must ensure that specifications for new construction of multifamily dwellings meet the design and construction standards of the Fair Housing Act to make units accessible and the requirements were included in contracts for substantial rehabilitation of buildings with 15 or more units when rehab exceeds 75% of replacement costs. In other projects, the Recipient should work with the developer/owner to make units adaptable and/or accessible as is financially feasible.
Energy conservation	The City must become familiar with the International Energy Conservation Code and include its requirements in all contracts for residential new construction.
Labor requirements, including Davis-Bacon	Before beginning construction or rehab of projects with 12 or more HOME assisted units, the City must obtain the prevailing wages for various building trades must be obtained from the Department of Labor (DOL); someone must be designated to monitor work on site and payrolls; report as required by D-B and related acts.
Uniform Relocation Act and Section 104(d)	The City is responsible for ensuring that tenants in properties that may be acquired or rehabilitated receive correct and timely notices and protections; owners of units to be acquired through a Homebuyer assistance program must receive the “Notice to Owner” for voluntary acquisitions, and tenant living in units purchased with HOME funds are protected by the URA. If units are demolished or converted with HOME funds, 104(d) may be triggered and appropriate notices and assistance must be provided. Since no one can be forced to move (displaced)

	without at least 30 days' notice, a project may not meet a developer's schedule.
EXHIBIT 18: Documenting Compliance with Other Federal Requirements	
Requirement	**Documentation**
Environmental review of activities	Files demonstrate appropriate level of review, notification, requests for release of funds, publications, and dates for commitments and covered activities were not begun until funds were released.
Section 3	To the greatest extent feasible, efforts were made to include businesses and low-income residents in the project area in construction contracts for workers and suppliers; training programs, as appropriate were developed and used to provide opportunities for construction employment.
Women/Minority Business Enterprise	Files demonstrate that the City followed its policies for reaching out and including MBE/WBE firms in contracts and invitations for bidding work.
Contractor selection	File supports selection of contractor(s) who were not on the list of suspended or de-barred contractors
Procurement	There is evidence of free and open competition for funds and contracts according to the City of Montebello policies and program requirements that apply.
Conflict of interest	There is no evidence of preferential treatment for developers, beneficiaries, contractors, or suppliers due to relationships to those in decision-making positions.
Equal Employment Opportunity	Language prohibiting employment discrimination based on race, color, religion, sex, or national origin is included in all construction contracts over $10,000.
Lead Safe Housing Requirements (rehab of pre-1978 units)	Appropriate notices and approaches are used for various activities; qualified staff is involved in inspections and clearance actions; reports demonstrate a knowledge of rules and compliance.
Cost reasonableness	Cost estimates are prepared prior to bids by knowledgeable persons; bidding and payments are within estimates or documented if they deviated; payment requests are supported by bills, invoices or other documentation.
Americans with Disabilities Act (ADA)	Programs were accessible to and usable by persons with disabilities, including removing communications barriers.
Fair Housing requirements	Files support outreach to all classes; programs were available to all persons and efforts were made to overcome barriers to participation
Affirmative Marketing	Files demonstrate that projects with five or more HOME-assisted units were affirmatively marketed by following policies, and records document actions taken.

Section 504	Specifications for new construction of multi-family dwellings met the design and construction standards of the Fair Housing Act to make units accessible and requirements were included in contracts for substantial rehabilitation of building with 15 or more units when rehab exceeded 75% of replacement costs. When this threshold was not triggered, to the extent financially feasible, units were made adaptable or accessible.
Energy conservation	Drawings and specifications for newly-constructed units must reference the requirements of the International Energy Conservation Code. Structures rated by a certified rater for Energy Star qualifications.
Labor requirements, including Davis-Bacon	For rehabilitation or new construction of projects with 12 or more HOME assisted units, the prevailing wage must be obtained from the Department of Labor (DOL) and paid for each of the trades; payments must be monitored on site and reported. Wage determination applicable to each project must be included as part of the contract documents.
Uniform Relocation Act and Section 104(d)	For properties with tenants in occupancy, correct and timely notices and protections were provided and are on file.

Non-Discrimination and Equal Access

No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded, denied benefits or subjected to discrimination under any program funded in whole or in part by HOME funds.

The City will take the following measures to ensure non-discriminatory treatment, outreach, and access to program resources. This applies to employment and contracting, as well as to marketing and selection of program participants.

1. **Fair Housing and Equal Opportunity**

   The City of Montebello will comply with all of the following Federal laws, executive orders and regulations pertaining to fair housing and equal opportunity as summarized below.

   1. Title VI of the Civil Rights Act of 1964, As Amended (42 USC 2000d et seq.): States that no person may be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving Federal financial assistance on the basis of race, color, or national origin. The regulations implementing the Title VI Civil Rights Act provisions for HUD programs may be found in 24 CFR Part 1.

2. The Fair Housing Act (42 U.S.C. 3601-3620): Prohibits discrimination in the sale or rental of housing, the financing of housing or the provision of brokerage services against any person on the basis of race, color, religion, sex, national origin, handicap or familial status. Furthermore, section 104(b)(2) of the Act requires that each grantee certify to the secretary of HUD that it is affirmatively furthering fair housing. The certification specifically requires grantees to conduct a fair housing analysis, develop a fair housing plan, take appropriate actions to overcome the effects of any impediments identified, and maintain records on the analysis, plan, and actions in this regard. Fair Housing Act implementing regulations for HUD programs may be found in 24 CFR Part 100-115.

3. Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259): Prohibits discrimination against individuals on the basis of race, color, religion, sex or national origin in the sale, rental, leasing or other disposition of residential property, or in the use or occupancy of housing assisted with Federal funds. Equal Opportunity in Housing regulations may be found in 24 CFR Part 107.

4. Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101): Prohibits age discrimination in programs receiving Federal financial assistance. Age Discrimination Act regulations may be found in 24 CFR Part 146.

2. Affirmative Marketing

In the event that the City of Montebello implement a housing program using funds with five or more HOME-assisted units, the City will adopt an affirmative marketing plan that that includes procedures and requirements including:

1. Methods for informing the public, owners and potential tenants about fair housing laws and the City's policies (for example: use of the Fair Housing logo, or equal opportunity language);

2. A description of what owners and/or the City will do to affirmatively market housing assisted with HOME funds;

3. A description of what owners and/or the City will do to inform persons not likely to apply for housing without special outreach

4. Maintenance of record to document actions taken to affirmatively market HOME-assisted units and to assess marketing effectiveness, and

5. A description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

3. Handicapped Accessibility

The City will adhere to the HOME regulations governing the accessibility of Federally-assisted buildings, facilities, and programs.

Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225): Provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications. The Act, also referred to as the ADA, also states that discrimination includes the failure to design and construct facilities (built for first occupancy after January 26, 1993) that are accessible to and usable by persons with disabilities. The ADA also requires the removal of architectural and communication barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable, and able to be carried out without much difficulty or expense.

Fair Housing Act: Multi-family dwellings must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-19).

Section 504: Section 504 of the Rehabilitation Act of 1973 prohibits discrimination in Federally assisted programs on the basis of handicap. Section 504 imposes requirements to ensure that "qualified individuals with handicaps" have access to programs and activities that receive Federal funds. Under Section 504, recipients and subrecipients are defined more broadly than under the HOME program. Section 504 recipients and subrecipients include any entity that receives Federal funding (for example, a subrecipient, or CHDO). The specific requirements under Section 504 are summarized in Exhibit 19 below:

EXHIBIT 19
Section 504 Requirements

Removal of Physical Barriers

- For new construction of multi-family projects, 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent of the units (but not less than one units) must be accessibly to individuals with sensory impairments.
- The Section 504 definition of substantial rehabilitation multi-family projects includes construction in a project with 15 or more units for which the rehabilitation costs will be 75 percent or more of the replacement cost. In such developments, 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent (but not less than one unit) must be accessible to individuals with sensory impairments.
- When rehabilitation less extensive than substantial rehabilitation is undertaken, alterations must, to the maximum extent feasible, make the unit accessible to and usable by individuals with handicaps, until 5 percent of the units are accessible to people with mobility impairments. Alterations to common spaces must, to the maximum extent feasible, make the project accessible.
- Accessible units must be, to the maximum extent feasible, distributed throughout projects and sites, and must be available in a sufficient range of sizes and amenities so as to not limit choice.
- Owners and managers of projects with accessible units must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with handicaps. They also must take reasonable non-discriminatory steps to maximize use of such units by eligible individuals.
- When an accessible unit becomes vacant, before offering the unit to a non-handicapped individual, the owner/manager should offer the unit: first, to a current occupant of the project requiring the accessibility feature; and second, to an eligible qualified applicant on the waiting list requiring the accessibility features.
- The usual standards for ensuring compliance with Section 504 are the Uniform Federal Accessibility Standards (UFAS), although deviations are permitted in specific circumstances.

PROVIDE PROGRAM ACCESSIBILITY

- Individuals with handicaps must be able to find out about, apply for, and participate in Federally assisted programs or activities.
- Special communication systems may be needed for outreach and ongoing communication

(e.g., Telecommunications Devices for the Deaf (TDD), materials on tape or in Braille, accessible locations for activities and meetings). ▪ Policies and procedures must be non-discriminatory (e.g., housing providers may not ask people with handicaps questions not asked of all applicants, screen individuals with handicaps differently or assess an individual's ability to live independently).
MAKE EMPLOYMENT ACCESSIBLE
▪ Employers must not discriminate. ▪ Employers must remove physical and administrative barriers to employment. ▪ Employers must make reasonable accommodations for individuals with known handicaps (e.g., job restructuring, providing readers or sign interpreters, making facilities accessible).
ADMINISTRATIVE REQUIREMENTS
▪ If recipients or subrecipients have 15 or more employees, they must: o designate a Section 504 Coordinator, and o notify program participants and employees of non-discrimination policies. ▪ All recipients and subrecipients must conduct self-evaluations of compliance with Section 504.

For any recipient or subrecipient principally involved in housing or social services, all of the activities of the agency -- not just those directly receiving Federal assistance -- are covered under Section 504.

Contractors and vendors are subject to Section 504 requirements only in the work they do on behalf of a recipient or subrecipient.

The ultimate beneficiary of the Federal assistance is not subject to Section 504 requirements. Under Section 504, recipients and subrecipients are not required to take actions that create undue financial and administrative burdens or alter the fundamental nature of the program.

Employment and Contractor

The cross-cutting Federal regulations discussed below govern employment and contracting opportunities, including equal opportunity, labor requirements and contracting/procurement procedures.

1. **Equal Opportunity**

   The City of Montebello has established an "Affirmative Fair Housing Marketing Plan" to ensure that the allocated HOME Funds promote fair housing and ensures outreach to all potentially eligible households, especially those least likely to apply for assistance.

   The City's policy is to provide information and attract eligible persons to available housing without regard to race, color, national origin, sex, religion, familial status (persons with children under 18 years of age, including pregnant women), or disability.

   The procedures followed are intended to further the objectives of the Equal Employment Opportunity, Executive Order 11246, as amended and Prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin.

   Note: Provisions to effectuate this prohibition must be included in all construction contracts exceeding $10,000. Implementing regulations may be found at 41 CFR Part 60.

PROCEDURE

Currently, the City of Montebello is not administrating a program containing five or more HOME assisted units. However, in the future it will abide by the HOME Final Rule regarding affirmative marketing procedures and requirements apply to rental and homebuyer projects containing five or more HOME-assisted units.

Should the City decided to implement such program it will commit to the goals of affirmative marketing that will be implemented through the following procedures:

1. Providing equal service without regard to race, color, religion, sex, handicap, familial status, or national origin of any client, customer, or resident of any community;

2. Keeping informed about fair housing laws and practices;

3. Informing clients and customers about their rights and responsibilities under the fair housing laws by providing verbal and written information;
4. Evaluating the effectiveness and compliance of all marketing as it relates to fair housing;

5. Including the *Equal Opportunity* logo or slogan, and where applicable the accessibility logotype, in all ads, brochures, and written communications to owners and potential tenants;

6. Displaying the HUD's fair housing posters (at a minimum, English and Spanish versions) in rental offices or other appropriate locations;

7. Soliciting applications for vacant units from persons in the housing market who are least likely to apply for assistance without the benefit of special outreach efforts; working with the local public housing authority and other service and housing agencies to distribute information to a wide and diversified population;

8. Maintaining documentation of all marketing efforts (such as copies of newspaper ads, memos of phone calls, copies of letters).

9. Maintaining a record of applicants for vacant units with a general profile of the applicant, how the applicant learned of the vacancy, the outcome of the application, and if rejected, why; maintaining this record for two years or through one compliance audit, whichever is the shorter period of time.

ASSESSMENT

In conjunction with the annual on-site compliance reviews, the City of Montebello will:

1. Review and evaluate records of affirmative marketing efforts (advertisements, flyers, and electronic media spots, etc.);

2. Evaluate outcomes and effectiveness of marketing efforts and make changes where needed.

3. Evaluate whether good faith efforts have attracted a diversified cross-section of the eligible population.

CORRECTIVE ACTIONS

Failure to meet affirmative marketing requirements will result in the following corrective actions:

1. For failure to comply, the City of Montebello will set a probationary period for compliance, not to exceed six months, during which time the City will provide more specific guidelines for compliance.

2. Further failure to comply with the affirmative marketing requirements may result in the withdrawal of HOME support.

3. Further failure to take appropriate actions to correct discrepancies in affirmative marketing programs may result in steps to recover all invested HOME funds.

Section 3

Section 3 of the Housing and Urban Development Act of 1968 requires that, to the greatest extent feasible, opportunities for training and employment arising from HOME will be provided to low-income persons residing in the program service area. In addition, to the greatest extent feasible, contracts for work (all types) to be performed in connection with HOME will be awarded to business concerns that are located in or owned by persons residing in the program service area.

Minority/Women's Business Enterprise

Under Executive Orders 11625, 12432 and 12138, the City of Montebello must prescribe procedures acceptable to HUD for a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, in all contracts (See 24 CFR 85.36(e)).

PROCEDURE

1. The Subrecipient will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632) and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed, or Spanish-heritage Americans, Asian-Americans, and American Indians. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

Davis Bacon Labor Requirements

The City of Montebello will comply with regulations on wage and labor standards. In the case of Davis-Bacon and the Contract Work Hours and Safety Standards Acts, every contract for the construction of housing (rehabilitation or new) that contains 12 or more units assisted with HOME funds triggers the requirements.

Davis-Bacon and Related Acts (40 USC 276(A)-7)

The Davis-Bacon and Related Acts ensures that mechanics and laborers employed in construction work under Federally assisted contracts are paid wages and fringe benefits equal to those that prevail in the locality where the work is performed. This act also provides for the withholding of funds to ensure compliance and excludes from the wage requirements apprentices enrolled in bona fide apprenticeship programs.

PROCEDURE

1. The City of Montebello requires that any contract for the construction of Affordable Housing with 12 or more units will require that all laborers and mechanics who are employed to perform work on any project, or any contractor or construction work which is financed, in whole or in part, with assistance which is received under the Housing and Community Development Act of 1974 shall be paid wages at rates which are not less than those that prevail in the locality for similar construction and shall receive overtime compensation in accordance with the Contract.

2. Work Hours and Safety Standards Act.

3. The contractor and its subcontractors shall also comply with all applicable Federal laws and regulations which pertain to labor standards, including the minimum wage law.

Title I of Housing and Community Development Act of 1974:

The City of Montebello ***will not***:

1. Discriminate against any employee or applicant for employment on the basis of religion and not limit employment or give preference in employment to persons on the basis of religion; and
2. Discriminate against any person applying for such public services on the basis of religion and not limit such services or give preference to persons on the basis of religion; and
3. provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services.

Additional information regarding Executive Orders is available by:

- 11625 - Prescribing additional arrangements for developing and coordinating a national program for minority business enterprise,
- 12432 - Minority business enterprise development, and
- 12138 - National Women's Business Enterprise Policy and National Program for

- Women's Business Enterprise.
- http://www.archives.gov/federal_register/codification/executive_order/11625.html
- http://www.archives.gov/federal_register/codification/executive_order/12432.html
- http://www.usdoj.gov/crt/cor/byagency/sbaeo12138.htm

Contract Work Hours and Safety Standards Act, as amended (40 USC 327-333)

This ACT provides that mechanics and laborers employed on federally assisted construction jobs are paid time and one-half for work in excess of 40 hours per week and provides for the payment of liquidated damages where violations occur. This act also addresses safe and healthy working conditions.

Copeland (Anti-Kickback) Act (40 USC 276c)

The Copeland Anti-Kickback Act governs the deductions from paychecks that are allowable. Additionally, it makes it a criminal offense to induce anyone employed on a federally assisted project to relinquish any compensation to which he or she is entitled and requires all contractors to submit weekly payrolls and statements of compliance.

Fair Labor Standards Act of 1938, As Amended (29 USC 201, et. seq.)

The Fair Labor Standards Act establishes the basic minimum wage for all work and requires the payment of overtime at the rate of at least time and one-half. It also requires the payment of wages for the entire time that an employee is required or permitted to work and establishes child labor standards.

Site and Neighborhood Standards

Housing provided through the HOME Program must promote greater choice of housing opportunities. Specific rules are as follows:

1. HOME-provided housing must be suitable from the standpoint of facilitating and furthering full compliance with the Title VI of the Civil Rights Act - 1964, the Fair Housing Act and Executive Order 11063.

2. The Final Rule requires only new construction rental projects to meet site and neighborhood standards from 24 CFR 983.6(b), which places limiting conditions on building in areas of "minority concentration" and that are "racially mixed."

PROCEDURE

1. The City of Montebello uses project information provided by owners/developers/sponsors/CHDOs to complete the Site and Neighborhood Standards Review form and document compliance with the Site and Neighborhood requirements.

2. The City reserves the right to request additional clarification and materials from owners/developers/sponsors for adequate documentation of compliance.

Lead-Based Paint Safe Housing Rule

24 CFR part 35, subpart J

On September 15, 1999, HUD issued a new Federal lead-based paint regulation implementing Title X of the Housing and Community Development Act of 1992. This regulation makes many important changes in the lead-based paint requirements applicable to housing funded through HUD's Community Planning and Development (CPD) programs.

The Lead Safe Housing Rule regulations that apply to rehabilitation activities are found at 24 CFR part 35, subpart J. The rehabilitation regulations distinguish among four approaches depending on the size of the rehabilitation effort. Understanding each approach and how to determine the level of rehabilitation assistance is the first step in deciding what lead safe housing requirements apply to a rehabilitation project. The purpose of the regulation is to identify and address lead-based paint hazards before children are exposed to lead. The regulation is divided into subparts that apply to the HOME program include:

1. Subpart A: Disclosure
2. Subpart B: General Requirements and Definitions
3. Subpart J: Rehabilitation
4. Subpart K: Acquisition, Leasing, Support Services, and Operations
5. Subpart M: Tenant-Based Rental Assistance
6. Subpart R: Methods and Standards for Lead-Based Paint Hazard Evaluation and Reduction

On April 22, 2008, the EPA issued the Renovation, Repair, and Painting Rule (RRP) a rule requiring the use of lead-safe practices and other actions aimed at preventing lead poisoning. Under the rule, beginning April 2010, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination. Until that time, HUD and EPA recommend that anyone performing renovation, repair, and painting projects that disturb lead-based paint in pre-1978 homes, child care facilities and schools follow lead-safe work practices.

There are some differences between the EPA RRP Rule and the HUD Lead Safe Housing Rule. A major difference is that the LSHR requires clearance examinations. All housing receiving federal assistance must still comply with the LSHR.

All contractors should follow these three simple procedures:

1. Contain the work area.
2. Minimize dust.
3. Clean up thoroughly.

From December 2008, the rule has required that contractors performing renovation, repair and painting projects that disturb lead-based paint provide to owners and occupants of child care facilities and to parents and guardians of children under age six that attend child care facilities built prior to 1978 the lead hazard information pamphlet **Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools** (PDF) | **en espanol** (PDF).

Starting on April 22, 2010, the rule will affect paid renovators who work in pre-1978 housing and child-occupied facilities, including:

- Renovation contractors
- Maintenance workers in multi-family housing
- Painters and other specialty trades.

Under the rule, child-occupied facilities are defined as residential, public, or commercial buildings where children under age six are present on a regular basis. The requirements apply to renovation, repair, or painting activities. The rule does not apply to minor maintenance or repair activities where less than six square feet of lead-based paint is disturbed in a room or where less than 20 square feet of lead-based paint is disturbed on the exterior. Window replacement is not minor maintenance or repair.

For additional guidance, refer to: EPA's **Lead Renovation, Repair, and Painting Program Rule**.

Additional information on becoming an EPA-certified renovator or training provider is available on **EPA's Renovator and Trainer Tool Box site**.

HUD defines four approaches to address lead-based paint in HOME funded Projects. The Exhibit 20 on the following page details each approach.

EXHIBIT 20
APPROACHES TO IMPLEMENTING LEAD HAZARD EVALUATION AND REDUCTION

APPROACH 1 - DO NO HARM

LEAD HAZARD EVALUATION	LEAD HAZARD REDUCTION	Options
▪ Paint testing performed on surfaces to be disturbed.	▪ Repair surfaces disturbed during work. ▪ Safe work practices used when working on areas identified as lead-based paint. ▪ Clearance performed.	▪ Presume lead-based paint is present and use safe work practices on all surfaces being disturbed.

APPROACH 2 - IDENTIFY AND STABILIZE DETERIORATED PAINT		
LEAD HAZARD EVALUATION ▪ Visual assessment performed to identify deteriorated paint.	LEAD HAZARD REDUCTION ▪ Paint stabilization of identified deteriorated paint. ▪ Safe work practices used. ▪ Clearance performed.	Options ▪ Perform paint testing on deteriorated paint. Safe work practice requirements only apply to lead-based paint.
APPROACH 3 - IDENTIFY AND CONTROL LEAD HAZARDS		
LEAD HAZARD EVALUATION ▪ Paint testing performed on surfaces to be disturbed. ▪ Risk assessment performed on entire dwelling.	LEAD HAZARD REDUCTION ▪ Interim controls performed on identified hazards. ▪ Safe work practices used. ▪ Clearance performed	Options ▪ Presume lead based paint and/or lead based paint hazards are present and perform standard treatments.
APPROACH 4 - IDENTIFY AND ABATE LEAD HAZARDS		
LEAD HAZARD EVALUATION ▪ Paint testing performed on surfaces to be disturbed. ▪ Risk assessment performed on entire dwelling.	LEAD HAZARD REDUCTION ▪ Abatement performed on identified hazards. ▪ Interim controls performed on identified hazards on the exterior that are not disturbed by Rehabilitation. ▪ Safe work practices used. ▪ Clearance performed.	Options ▪ Presume lead-based paint and/or lead-based paint hazards are present and perform abatement on all applicable surfaces –deteriorated, impact, friction, chewable surfaces, and surfaces to be disturbed.

GLOSSARY OF HOME TERMS

Action Plan: The one-year portion of the Consolidated Plan (see below). It includes the PJ's annual application for HOME funds.

Adjusted Income: Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and childcare (these are the same adjustment factors used by the Section 8 Program).

Affordability: The requirements of the HOME Program that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME assisted activity (i.e., homeownership or rental housing).

Annual Income: The HOME Program allows the use of one of three definitions of annual income: Section 8 annual income; annual income as reported on the U.S. Census long form; and adjusted gross income as defined for reporting on IRS Form 1040.

Applicant(s): A person or persons who appear on the title to the property and that apply for a loan under the Housing Rehabilitation and Preservation Program (HRPP). All persons appearing on the title must agree to apply and execute all documents required.

Borrower: A person or persons who appear on the title to the property, signs the Written Agreement with the City and signs the loan documents with the City, thereby becoming legally responsible for any repayment of the Housing Rehabilitation and Preservation Program (HRPP) loan.

Building and Safety Code: The City's residential codes and ordinances pertaining to housing construction, land use, occupancy and maintenance of existing residential properties which are applicable to the property through Code Enforcement action.

Building Inspector: The City employee(s) responsible for inspection(s) of structural, electrical, plumbing, improvements. The inspector assures compliance of work to applicable Building and Safety Codes.

Building Division: The Department of the City responsible for issuance of building permits.

Building Permit: An authorization by the Building Division to commence building repairs or improvements on a specific property; Permits must be issued for most home improvements, including, but not limited to, roofing, electrical, plumbing, structural changes, and foundations. A fee is charged for permits and inspections are included in the permit cost.

California Preliminary Notice: A notice sent to the owner of the dwelling unit by any person or supplier providing labor, services, equipment, or materials for the rehabilitation work. The notice is sent in the event that the primary contractor is listing, as security, the property being rehabilitated with the person or supplier sending notice.

Commitment: Commitment means one of three things: (1) The PJ has executed a legally binding agreement with a State recipient, subrecipient, or contractor to use a specific amount of HOME funds to produce affordable housing or provide tenant-based rental assistance; or (2) has executed a written agreement reserving a specific amount of funds for a CHDO; or (3) has met requirements to commit to a specific local project as defined below.

Commitment to a specific local project: Commitment to a specific local project means that a legally binding agreement was executed meeting one of the following sets of requirements: (1) For rehabilitation or new construction projects, the PJ (or other entity) and the project owner will execute an agreement for an identifiable project under which construction can reasonably be expected to start within 12 months of the agreement date. If the project is owned by the PJ, the project must be set up in the disbursement and information system and construction reasonably expected to start within 12 months of the set-up date. (2) If the project consists of acquisition of standard housing by the PJ, the agreement must be a binding contract for the sale of an identifiable property and the property title must be transferred to the PJ (or other entity) within six months of the date of the contract. (3) If the project involves the acquisition of standard housing and the PJ is providing HOME funds to a purchaser, under the agreement, the title of the property must be transferred to the purchaser within six months of the agreement date.

Community Housing Development Organization (CHDO): A private, nonprofit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2. A participating jurisdiction must award at least 15 percent of its annual HOME allocation to CHDOs.

Consolidated Plan: A plan prepared in accordance with the requirements set forth in 24 CFR Part 91 which describes community needs, resources, priorities and proposed activities to be undertaken under certain HUD programs, including HOME.

Consortium: Geographically contiguous units of general local government consolidated to be in a single unit of general local government for HOME Program purposes when certain requirements are met.

Contractor: An eligible contractor is a general contractor licensed in compliance with Federal, State, and City regulations to do the necessary housing rehabilitation work. No contractor may be utilized who has been disbarred or suspended by order of the City, State or Federal Government. The City permits contractors to apply to the City for eligibility determination at any time.

Deed of Trust: The legal document which secures the loan with the property that is being rehabilitated. The Deed of Trust is for the same amount as the loan and must be signed by the borrower in the presence of a public notary.

Development: A site or an entire building or two (2) or more buildings, together with the site or sites on which the building is located, that are under common ownership, management and financing and are to be assisted with HOME Program funds-under commitment by the owner-as a single undertaking.

Development Fees: Compensation to the developer for developing the property, includes overhead and profit, consult/processing agent fees, project administration, the value of personal guarantees and a portion of any reserves determined by the housing credit agency to be in excess of industry norms.

Draw-Down: The process of requesting and receiving HOME funds. PJs and authorized state recipients draw down funds from a line of credit established by HUD.

Eligible Improvements: All improvements required to bring the property up to City Codes and the City's Rehabilitation Standard

Equity: The value of a property less the amount of outstanding debt on it.

Final Rule: The Final HOME Rule was published at 24 CFR Part 92 on September 16, 1996 and became effective on October 16, 1996. It was amended on October 22, 1997.

Financing Plan: The proposed financing for a project.

General Partner: A partner who is liable and responsible for completing a project as proposed, managing the partnership and guaranteeing funding required to complete the project. A general partner oversees construction, leasing, and property management; maintains the books and records of the partnership; and submits periodic reports to the limited partners on the project's financial status.

General Partnership: A form of ownership in which all partners participate materially in the partnership's operations and share liability.

Group Home: Housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one-bedroom units) separate private space for each family.

HOME-Assisted Units: A term that refers to the units within a HOME project for which rent, occupancy, and/or resale restrictions apply. The number of units designated as HOME-assisted affects the maximum HOME subsidies that may be provided to a project.

HOME Funds: All appropriations for the HOME Program, plus all repayments and interest or other returns on the investment of these funds.

HOME Investment Trust Fund: The term given to the two accounts - one at the Federal level and one at the local level - that "hold" the PJ's HOME funds. The Federal HOME Investment Trust Account is the U.S. Treasury account for each participating jurisdiction. The local HOME Investment Trust Fund account includes repayments of HOME funds, matching contributions and payment of interest or other returns on investment.

Housing Investment Partnerships Act ("HOME Program"): The act that created a formula-based allocation program intended to support state and local affordable housing programs. The goal of the program is to increase the supply of affordable rental and ownership housing through acquisition, construction, reconstruction, and moderate or rehabilitation activities (Title I, National Affordable Housing Act of 1990).

HUD: U.S. Department of Housing and Urban Development.

Household: A household includes all persons living in the unit at the property at the time of application, except persons who are paid caregivers of elderly or disabled individuals.

Household Income Verification: The process used to determine gross household income, including Applicant submittal of most current income tax returns; employer verification of wages; W-2 Forms; Social Security verification, profit/loss statements, etc.

Inspection Card: Card posted at the site of rehabilitation once building permits are issued. Building Inspector(s) sign off various inspections on Card as job progresses.

Insular Areas: Guam, the Northern Mariana Islands, the United States Virgin Islands and American Samoa.

Interest Subsidy: The amount of subsidy required to reduce the interest rate on a loan to a below-market rate over the term of the loan.

Jurisdiction: A state or unit of general local government.

Limited Partner: A passive investor in a limited partnership who, in exchange for contributing equity to the project, receives a pro rata share of cash flow and tax benefits and the right to

approve the sale or refinancing of the property and removal of the general partner in the event of gross negligence or breach of contract.

Limited Partnership: An ownership vehicle comprising limited and general partners that allows for central management but has no tax liability, instead passing tax benefits through to its limited and general partners.

Loan Disbursement: The principal amount of the loan which is paid out to the Applicant as the rehabilitation work progresses; The disbursement may be in accordance with a contractual agreement between Applicant and contractor. Prior to disbursement, the work accomplished must be in accordance with the scope of work as detailed in the work the work write-up. If inspection by the Building Division is required for the particular rehabilitation item, the inspector must sign off for said work prior to disbursement.

Loan Documents: All forms relevant to the actual execution of the loan, including a Three Day Right of Recession Notice, Truth-In-Lending Form, Promissory Note, and Deed of Trust.

Low-Income Families: Families whose annual incomes do not exceed 80 percent of the median income for the area (adjusted for family size).

Match: Match is the PJ's contribution to the HOME Program -- the local, non-Federal contribution to the partnership. The PJ's match contribution must equal not less than 25 percent of the HOME funds drawn down for projects in that fiscal year.

New Construction: The creation of new dwelling units. Any project which includes the creation of new or additional dwelling units in an existing structure is considered new construction.

Participating Jurisdiction (PJ): The term given to any state, local government or consortium that has been designated by HUD to administer a HOME Program. HUD designation as a PJ occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate in the program, and has a HUD-approved Consolidated Plan.

Program Income: Gross income received by the PJ, state recipient, or a subrecipient directly generated from the use of HOME funds or matching contributions.

Project: A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking. The HOME Final Rule eliminated the requirement that all buildings fall within a four-block radius.

Project completion: All necessary title transfer requirements and construction work have been performed; the project complies with all HOME requirements; the final drawdown has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD.

Promissory Note: A form, part of the loan documents, which is the borrower's agreement to pay back the amount borrowed in accordance with the established terms of the loan. The Promissory Note must be signed by all persons on the Title to the Property.

Property Rehabilitation Standards: A standard established by the City to ensure that the housing rehabilitated under Housing Rehabilitation and Preservation Program meets or exceeds

Recapture: Repayment of HOME funds to the PJ from a homebuyer project during the period of affordability.

Reconstruction (also rehabilitation): The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be changed as part of the reconstruction project, but the number of rooms per unit may change. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing.

Rehabilitation Specialist: The person who conducts inspections and produces work write-ups and cost estimates.

Rehabilitation Contract: A legally binding, standardized form which spells out, in detail, the entire scope of work, specific quality, brands of materials, and all other data pertinent to the rehabilitation of the property. The Contract must be signed by both Contractor and Applicant.

Rehabilitation Cost: The total cost of repairs and improvements and other costs for rehabilitation to be incurred by the Applicant that may be included in a Loan.

Right of Recession: The borrower's right within a three-working day period from the date of loan settlement to rescind the entire loan transaction.

Recipient: Any entity under contract with the City to undertake activities funded by the City's HOME Program.

Restrictive Covenant: A limitation placed on a property, which is recorded and attached to the deed, thereby passing to subsequent owners.

Section 8 Tenant-Based Rental Assistance Program: A federal program that provides rental assistance to low-income families who are unable to afford market rents. Assistance is provided in the form of vouchers.

Single-Room Occupancy (SRO): Housing consisting of single-room dwelling units that is the primary residence of its occupant or occupants. The unit must contain food preparation and/or sanitary facilities if the project involves new construction, conversion of non-residential space, or reconstruction. If the units do not contain sanitary facilities, the building must contain sanitary facilities shared by the tenants.

Soft Costs: Development costs exclusive of the cost of acquisition, site improvements, construction, and contingencies.

Soft Second Mortgage: A loan provided by public and nonprofit lenders at below market interest rates and with flexible repayment terms, using as collateral a second mortgage on the project property, to fill a financial gap for a project serving a public purpose (for instance, affordable housing.)

Subrecipient: A public agency or nonprofit organization selected by a PJ to administer all or a portion of the PJ's HOME Program. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not a subrecipient.

Substantial Rehabilitation: The cost of a rehabilitation project that costs more than $25,000.

Surplus Cash (Net Operating Income (NOI)): The operating income derived by the project owner from development cash flow that exceeds 1st mortgage loan payments and the following operating expenses: property management fee, grounds maintenance, accounting services, amounts deposited into a replacement reserve account, legal services, taxes and insurance and utility expenses, each specifically related to the development. Developer fees and depreciation of assets may not be included in calculating expenses.

Syndicates: Individuals or firms who arrange for the sale of ownership shares in a project to raise equity from investors.

Targeting: Requirements of the HOME Program relating to the income or other characteristics of households that may occupy HOME-assisted units.

Total Development Cost (TDC): The sum of all costs for site acquisition, relocation, demolition, construction and equipment, interest and carrying charges.

Truth in Lending Statement: The form included in the loan document package which details all terms of the Loan. Applicant must sign receipt of said form.

Very-Low-Income Families: Families whose annual incomes do not exceed 50 percent of the median income for the area (adjusted for family size).

Work Write-up: A form to be completed by a Construction Manager outlining a complete and suggested scope of work to be performed for the rehabilitation of the property

Written Agreement: The Written Agreement defines the terms and conditions of the Housing Rehabilitation and Preservation Program Loan to the Applicant. The Written Agreement is executed prior to the Applicant engaging a Contractor to complete the defined rehabilitation.

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City of Montebello

Community Development Block Grant
POLICIES AND PROCEDURES MANUAL

City of Montebello
Planning and Community Development Department
1600 W. Beverly Boulevard
Montebello, CA 90640

September 2020 Edition

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1. INTRODUCTION AND CDBG GRANT ADMINISTRATION

PURPOSE OF THIS MANUAL

The purpose of this manual is to assist staff to obtain a basic and clear understanding of the program's fundamental requirements. As staff members of a local entitlement jurisdiction begin working with federal programs such as the Community Development Block Grant, one of the first challenges is gaining a comfortable understanding of the all the related acronyms. Throughout this manual, the federal Community Development Block Grant program will be referred to as CDBG. This policies and procedures manual also provides an understanding of the overall grant administration responsibilities of the City, identification of assigned staff to meet these responsibilities, and instructional policies and procedures to provide guidance to staff.

Please note, that despite being designed as an educational tool for staff of an entitlement jurisdiction, this manual is not intended to be the sole reference or an authoritative source on the CDBG program. In fact, a substantial section of the manual is devoted to guiding staff to where they can find the answers to questions and further details about CDBG. This manual in no way is intended to act as a substitute for staff training sponsored by the Federal Department of Housing and Urban Development (HUD) Community Planning and Development division (CPD) field office.

WHAT IS CDBG?

The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to approximately 1180 general units of local government and States. (www.hud.gov)

The program is authorized under Title 42 US Code, Chapter 69, Section 5301, and the regulations that govern the CDBG program are at Title 24, Chapter 570 of the Code of Federal Regulations (CFR). (https://www.ecfr.gov/cgi-bin/text-idx?SID=a478864825fbeb76f67160e3f0522f7a&mc=true&node=pt24.3.570&rgn=div5).

The CDBG program was enacted in 1974 with the passage of the Housing and Community Development Act of the same year. The program originated out of the consolidation of several previous federal grant programs that aimed to address similar community issues targeted by CDBG.

NATIONAL OBJECTIVES

In its most broad and general definition, the intent of the program is to help local communities improve the quality of life for residents. To this end, the program has what are called three "National Objectives". In order to use CDBG funds, the proposed use must meet one of these three National Objectives. These are:

1. to benefit low- or moderate-income persons;
2. to aid in the prevention or elimination of slums or blight; or
3. to meet an urgent community development need.

The Code of Federal Regulations ("CFR" or "regulations" or "regs") and published HUD guidance go into detail about how one determines whether a jurisdiction is meeting a National Objective.

WHO GETS CDBG AND HOW MUCH?

The annual CDBG appropriation is allocated between States and local jurisdictions called "non-entitlement" and "entitlement" communities respectively. Entitlement communities are comprised of central cities of Metropolitan Statistical Areas ("MSAs"); metropolitan cities with populations of at least 50,000; and qualified urban counties with a population of 200,000 or more (excluding the populations of entitlement cities). States distribute funds to non-entitlement localities not qualified as entitlement communities.

HUD determines the amount of each grant by using a formula comprised of several measures of community need, including the extent of poverty, population, housing over-crowding, age of housing, and population growth lag in relationship to other metropolitan areas. (www.hud.gov)

Each year, the US Congress appropriates funds to the CDBG program as part of the budget for the Department of Housing and Urban Development, known as HUD. More specifically, the CDBG program is funded from the Community Development Fund (the "Fund"). Although there are a number of smaller programs funded from the Fund, the CDBG program is by far the largest.

PROGRAM AREAS

The funding allocated to the CDBG program is then further distributed among eight "program areas" according to a statutory formula. These programs are:

1. Entitlement Communities – annual grants to larger cities and urban counties.
2. State Administered CDBG – the "Small Cities" program. States award grants to smaller units of general local government.

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3. Section 108 Loan Guarantee Program – for entitlement communities and non-entitlement. HUD provides financing for CDBG-funded activities using future CDBG awards to repay the loan.
4. Neighborhood Stabilization Program – This Program was established to stabilize communities that have suffered from foreclosures and abandonment. Through the purchase and redevelopment of foreclosed and abandoned homes and residential properties, the goal of the program is being realized.
5. Insular Areas – grants to four designated insular areas: American Samoa; Guam; Northern Mariana Islands; and the Virgin Islands.
6. Disaster Recovery Assistance – grants to help cities, counties, and States recover from disasters.
7. Colonias – Texas, Arizona, California, and New Mexico set aside a portion of state CDBG funds to improve living conditions in under-developed settlements along the US-Mexico border.
8. Non-Entitlement CDBG Grants in Hawaii – The Non-Entitlement CDBG Grants in Hawaii offer a source of financing allotted for the economic development, housing rehabilitation, public facilities rehab, construction or installation for the benefit of low- to moderate-income persons, or to aid in the prevention of slums.

A LITTLE ABOUT HUD

HUD's mission is to create strong, sustainable, inclusive communities and quality, affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality, affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business.

HUD is a large federal department with a broad range of responsibility. HUD has five main divisions or "program offices": Housing, Community Planning/Development, Fair Housing/Equal Opportunity, Public/Indian Housing and Ginnie Mae.

As a CDBG recipient, the City will be working with the Community Planning/Development office, which is referred to as CPD. The City will also have a field representative assigned to the jurisdiction from the local field office. This person can be viewed as a gateway to HUD. Any questions regarding the CDBG program that cannot be answered internally can be directed to the field representative. It is key to establish an open and effective line of communication with the field representative so he/she are kept informed on the status of the jurisdictions programs and entitlement.

HUD has 81 field offices distributed across the country with at least one in each state. Located at these field offices are representatives of the various HUD divisions or program offices. HUD has also divided up the nation into regions. Each region has a Regional Office and a Regional Office

Director. You will also have minor interactions with other HUD offices including Labor Relations and Policy Development and Research (PDR).

"THE REGS": THE CODE OF FEDERAL REGULATIONS (CFR)

The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to Federal regulation.

There are several federal laws, regulations and rules that guide and impact the CDBG program. The most important is the enabling regulation, which can be found in Part 570 of Title 24 of the Code of Federal Regulations or "24 CFR 570". This is where the "how to" and the "do's and don't's" of the CDBG program are located.

Every April, the regulations affecting HUD, and therefore the CDBG program, are updated. Any changes to the regulations are published in the Federal Register as they are being considered and as they are implemented. The most current version of the regulations can be found on the website of the US Government Printing Office (GPO). (https://www.ecfr.gov/cgi-bin/text-idx?SID=a478864825fbeb76f67160e3f0522f7a&mc=true&node=pt24.3.570&rgn=div5#sp24.3.570.a). In addition to accessing the GPO website for the most current Regulations, HUD will typically notify grantees when changes are being considered and when they are implemented.

HUD will also occasionally publish memoranda or notices that are collectively referred to as "guidance". These letters generally serve to clarify common misunderstandings or explain how to interpret program regulations considering new federal requirements or changing circumstances. HUD will also publish "handbooks" and "guides" that offer more comprehensive guidance for grant recipients.

Some of the other regulations that impact the CDBG program are:

- Lead Safe Housing;
- Environmental Review;
- General Administration; and
- The federal Office of Management and Budget (OMB) Circulars.

It is often difficult to locate HUD guidance after it has been issued. A good resource that can be utilized are assembled links to all the relevant documents at CDBG Laws and Regulations (https://www.hudexchange.info/programs/cdbg/cdbg-laws-and-regulations/).

CDBG GRANT ADMINISTRATION

CDBG funds are received from HUD as grants to States and local communities, known as grantees, to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development and providing improved community facilities and services.

The City of Montebello, as an entitlement community, is responsible for developing its own programs and funding priorities. As a grantee, the City must ensure one of the three national objectives is met when funding activities including benefitting low- and moderate-income persons, aid in the prevention or elimination of slums or blight, or meeting other community development needs having a particular urgency. This is discussed further in Chapter 8.

Consolidated Plan

Recipients of CDBG funds must engage in a planning process to identify priority needs in the community and then develop goals and objectives to address these needs. The Consolidated Plan process produces a 3- to 5-year Consolidated Plan which describes the jurisdiction's community development priorities and multi-year goals based on an assessment of housing and community development needs, an analysis of housing and economic market conditions and available resources (see Chapter 2 for a further discussion). The Consolidated Plan is carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan (see Chapter 3 for a discussion on Activity Selection and Chapter 7 on Eligible Activities).

Citizen Participation

An essential part of the Consolidated Plan process is consultation and citizen participation. Through the Consolidated Plan grantee jurisdictions engage the community, both in the process of developing and reviewing the proposed plan, and as partners and stakeholders in the implementation of CPD programs. By consulting and collaborating with other public and private entities, grantees can align and coordinate community development programs with a range of other plans, programs and resources to achieve greater impact (see Chapter 2 and the City's Citizens Participation Plan).

CAPER

Grantees are required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) at the end of each program year to report on the prior year program accomplishments. By providing detailed financial and beneficiary information, the CAPER explains how a jurisdiction is carrying out its housing and community development strategies, projects, and activities (see Chapter 4). In addition to writing general and program narratives, grantees must use HUD's

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Integrates Disbursement and Information System (IDIS) to capture the information needed to meet CAPER requirements. As IDIS users set up activities, draw funds, and report accomplishments, they are creating a database that contains information required for the CAPER. Grantees can retrieve this data from IDIS at the end of their program year. By keeping information current in IDIS throughout the year, there is no need to collect and gather large amounts of data required for the CAPER (see Chapter 10).

Sub-Recipients

One way of implementing the local CDBG program is through the use of sub-recipients. Chapter 5 provides an overview of identifying, selecting, and monitoring a CDBG sub-recipient. The management and oversight of sub-recipients is a critical task of the entitlement jurisdiction. Using a sub-recipient to implement the local CDBG program does not relieve the original grantee of its responsibilities under CDBG and other federal rules and regulations. Another essential requirement necessary to administer a CDBG grant is to have policies and procedures in place for financial management of the grant. Chapter 9 covers the financial responsibilities of a grantee when funds are requested, money is committed, and draw downs occur. It is important for entitlement jurisdiction staff to understand the process and regulations pertaining to the CDBG program even after they are committed to a specific activity or project through a contract or agreement. Other program requirements which must be met in the administration of the CDBG program include meeting environmental regulations under the National Environmental Policies Act (NEPA), addressing federal requirements for procurement under 24 CFR 84, 24 CFR 85, and Office of Management and Budget (OMB) Circular A-110, in addition to meeting other federal requirements [24 CFR 570.600]. These program requirements are covered in Chapters 1 1, 12 and 13, respectively.

Planning Suite

HUD's Office of Community Planning and Development (CPD) introduced the eCon Planning Suite, including the Consolidated Plan template in IDIS Online and the CPD Maps website. The eCon Planning Suite supports grantees and the public to assess their needs and make strategic investment decisions by creating a more cohesive planning and grants management framework and providing better data and a tool for analysis. The Consolidated Plan template in IDIS facilitates the planning process by making critical data on housing and community development needs readily accessible to grantees in the format required by HUD. By providing detailed and timely demographic, housing affordability and economic data, the template frees up time formerly spent searching out and compiling data to allow grantees to focus on understanding the data, further boosting the process beyond simple compliance with reporting and budgeting requirements. Moreover, by providing a standard format for all the required Consolidated Plan elements, HUD is providing clear guidance on when requirements will be met.

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FINANCIAL MANAGEMENT PROCEDURES

1. Payment/Drawdown Procedure

   CDBG funds are available on a reimbursement basis only based on documentation of incurring the expense and payment of the expense.

   i. The City of Montebello will reimburse funds based upon information submitted by the Recipient. Any expenditures occurring after the effective date of the contractual agreement between the City of Montebello and the Recipient are eligible for reimbursement.

   ii. Expenditures must be consistent with the approved budget as stated in the contractual agreement between the City of Montebello and the Recipient. Only eligible expenses will be reimbursed.

   iii. Payments will be adjusted by the City in accordance with program income balances available in sub-recipient accounts, if applicable.

   iv. In order to ensure accurate billing and fund management sub-recipients should keep track of the following information for activities funded:

      a. Funds budgeted.

      b. Funds received from the City of Montebello.

      c. Reimbursements to-date.

      d. Funds obligated in the most recent period and to-date.

      e. Funds expended in the most recent period and to-date.

      f. Cash on hand (including program income identified as such), if applicable.

      g. Previous reimbursements requested but not yet received, if applicable.

   v. All requests for final reimbursements must be submitted to the Finance Department within 30 days after the last date of the contract.

      To request reimbursement:

      a. The "Request for Reimbursement" form (see Appendix) must be completed and signed by either the Finance Director or another authorized personnel.

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b. Provide original invoices for all expenditures to be reimbursed.

c. Payment receipts, copies of checks, and/or all documentation proving that payment has been made prior to requesting reimbursement.

d. For salary reimbursement, time sheets must include total time worked and a breakdown of funding sources covering the salary and benefits associated.

All reimbursements will be made within thirty (30) days of receipt of the request, if proper documentation has been submitted. Please be advised that the City of Montebello may not provide reimbursements if quarterly reports have not been submitted within the time limits stated in the contractual agreement between the City of Montebello and the Recipient.

2. Internal Controls

The City of Montebello internal controls include a combination of procedures, specified job responsibilities, qualified personnel, and records that together create accountability in an organization's financial system and safeguard its cash, property, and other assets. The City's internal controls make sure that:

i. Resources are used for authorized purposes and in a manner consistent with applicable laws, regulations, and policies,

ii. Resources are protected against waste, mismanagement, or loss, and

iii. Reliable information on source, amount, and use of resources are secured up-to-date, and recorded.

Additionally, internal controls will ensure that no one individual has authority of an entire financial transaction.

Specifically, that the City has a separation of power for the following three responsibilities:

i. Authorization to execute a transaction,

ii. Recording of the transaction, and

iii. Custody of assets involved in the transaction. This type of separation of responsibilities will create a system of checks and balances for grant and general organization expenditures.

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The City will periodically reconcile its financial records to actual assets and liabilities which will safeguard resources as well as detect instances of fraud or misuse.

3. Record-Keeping

The CDBG Program has recordkeeping and reporting requirements to document that CDBG funds are used appropriately and that CDBG Program objectives are being met.

i. Requirements

Under the CDBG Program regulations, the City of Montebello is required to meet certain record-keeping and reporting requirements that are designed to:

a. Ensure consistency with CDBG program requirements;

b. Clarify the record retention periods; and

c. Include new records that exercise any of the three new options allowed in the Final Rule (i.e., multi-family refinancing, presumption of affordability for homebuyer assistance, and locally established 95 percent of area median purchase price limits).

ii. The City of Montebello will maintain records that include:

a. Program records;

(a) Written agreement with the City of Montebello and documentation of compliance with the written agreement;
(b) A copy of the application originally submitted to the City of Montebello; and
(c) Forms of assistance used.

b. Project records;

c. CHDO records;

d. Financial records;

e. Program administration records; and

f. Records concerning other Federal requirements.

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CONFLICT OF INTEREST

The City of Montebello will comply with the following conflict-of-interest provisions:

1. 24 CFR Parts 84 and 85, and CFR 85.36 and 24 CFR 84.42.

2. Provisions not covered by 24 CFR Parts 84 and 85, set forth in the CDBG regulations. Additionally, the CDBG regulations include conflict of interest provisions for nonprofit, for- profit owners/developers/sponsors and CHDOs.

3. No employee, officer, or agent of the City shall participate in the selection, award, or administration of a contract supported by CDBG if a conflict-of interest, either real or apparent, would be involved;

4. City employees, officers, and agents shall not accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements; and

5. Enforce provisions for penalties, sanctions or other disciplinary actions for violations of standards.

6. No person who exercises or has exercised any functions or responsibilities with respect to CDBG activities or who is in a position to participate in decisions or gain inside information:

    a. May obtain a financial interest or benefit from a CDBG activity; or the City of Montebello CDBG Program Operations;

    b. Have an interest in any contract, subcontract, or agreement for themselves or for persons with business or family ties.

    NOTE: This requirement applies to covered persons during their tenure and for one year after leaving the Recipient entity.

7. Include the conflict-of-interest provision in written agreements and other documents with owners, developers, and sponsors.

8. Monitoring of projects will Include necessary actions to ensure that the conflict of Interest provision is adhered to.

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CDBG PROGRAM STAFFING PLAN

It Is the intentions of the City to have City staff provide management oversight of the administration of the CDBG program. To the extent necessary, the City will utilize other resources including consultants to assist with the administration of the CDBG and HOME Programs. Provided below is a brief staffing plan identifying roles and responsibilities of City staff and program consultants.

ORGANIZATION ROLES AND RESPONSIBILITIES

City staff will provide program management oversight of the CDBG and HOME programs and will utilize consultants to provide program-related expertise to implement the CDBG and HOME funded programs. Provided below is a staffing plan identifying roles and responsibilities of City staff and program consultants.

The table below briefly summarizes the City of Montebello staff roles and responsibilities, and those of program consultants, in administering the City's CDBG and HOME Programs. Following the table are more complete job descriptions for each of the positions along with an organizational chart.

City of Montebello Staffing Plan		
Staff Members Name, Title **Program Responsibilities**	**Phone Number**	**E-Mail Address**
Rene Bobadilla, City Manager Overall Program Management Oversight	323-887-1200	rbobadilla@cityofmontebello.com
Michael Solarzo, Finance Director Overall Financial Management Oversight	323-887-1200	msolarzo@cityofmontebello.com
Joseph Palombi, Planning & Community Development Director CDBG and HOME Program Administrative Oversight	323-887-1200	jpalombi@cityofmontebello.com
Aknesa Ananikyan, Senior Management Analyst CDBG and HOME Program Management	323-887-1200	aananikyan@cityofmontebello.com

, Controller Supervisor of Program Financial Operations	323-887-1200	@cityofmontebello.com
Lissette Montoya, CDBG and HOME Program Consultant	(909) 979-6587	lmontoya@agi.com.co

City Manager – Responsible for overall program management and evaluation of the operation of the program, facilitate the adoption of program policies and procedures and assign the necessary staff resources to carry out the program. As the City of Montebello's certifying officer, signs CDBG Program certifications, grant documents, loan agreements, and wiring requests.

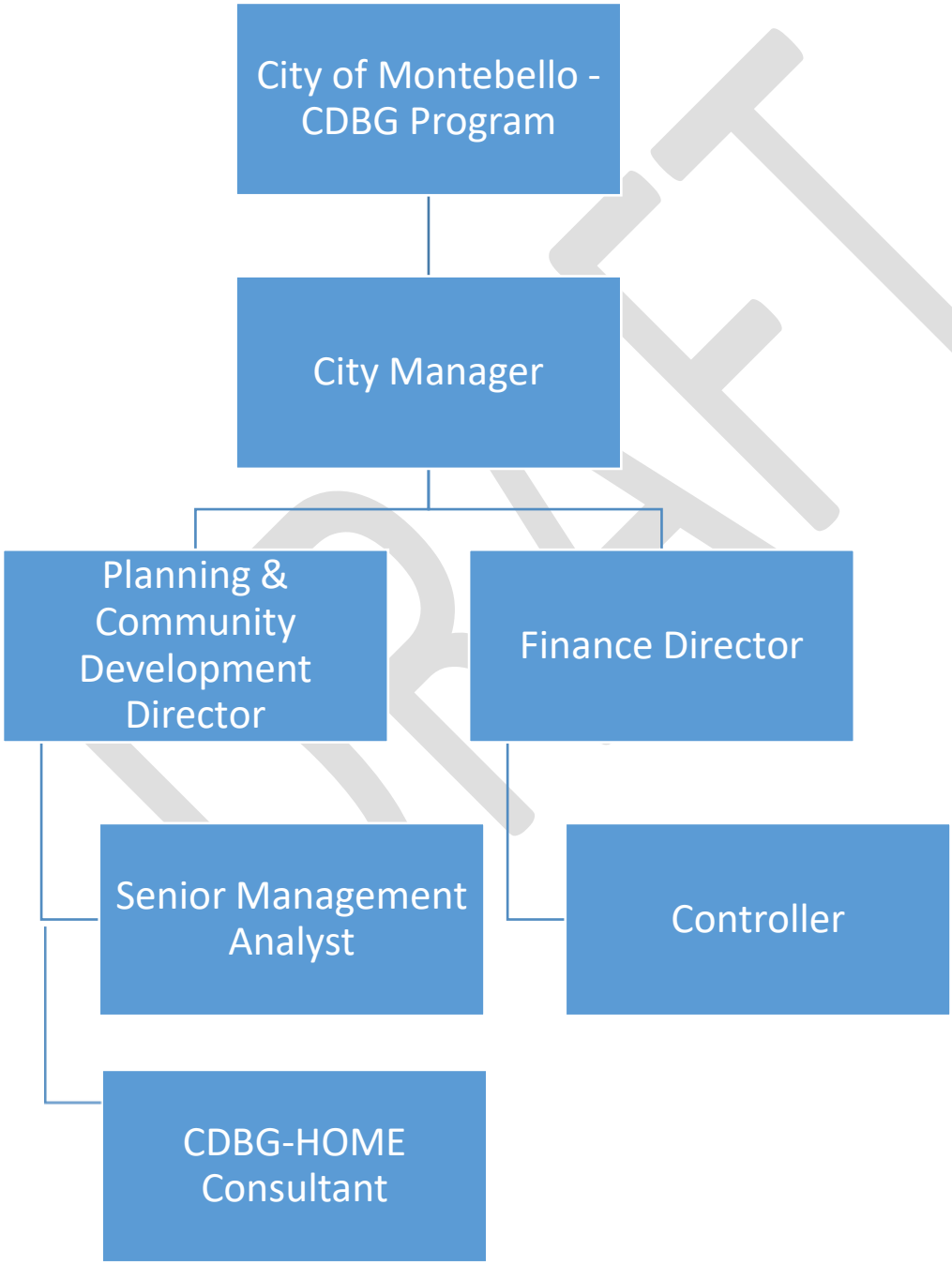
Finance Director – Key City staff member responsible for overall financial operations of the City and serving to evaluate and make recommendations on program financial operations such as the City's CDBG and HOME Program.

Planning & Community Development Director – Responsible for the CDBG program administrative oversight, including managing program consultants to ensure programs are being carried out in compliance with CDBG program requirements. Oversees and assists with the preparation of required reports and IDIS voucher preparation. Directs staff and program consultants in the programing of funds, monitoring of the programs for regulatory compliance, and program marketing/outreach.

Senior Management Analyst – Assists the Planning & Community Development Director with HUD program oversight, including coordinating and managing program consultants. Assists with the preparation of required reports and IDIS access and voucher input. Oversees the implementation of housing and community development programs including the implementation of CDBG projects. Working with program consultants, is responsible for selection of program applicants, monitoring of the programs for regulatory compliance, program marketing/outreach

Controller – Responsible for approving IDIS drawdowns, evaluating/approving financial requisitions and supporting documentation, works with the City Manager, Finance Director, Planning & Community Development Director, and consulting staff to implement financial operations related to the CDBG and HOME program and works with auditors for the completion of City audits.

CDBG and HOME Program Consultants - Assist the Planning & Community Development Director and Senior Management Analyst with the administration and implementation of the CDBG program to ensure it is being carried out in compliance with CDBG program requirements. Assist, as assigned, with the preparation of required reports, review the program to ensure compliance with CDBG regulatory commitment and expenditure requirements, ensure file documentation is maintained, assist with the implementation of CDBG activities.


City of Montebello - CDBG Program
City Manager
Planning & Community Development Director
Finance Director
Senior Management Analyst
Controller
CDBG-HOME Consultant

2. CONSOLIDATED PLANNING

OVERVIEW

This section will inform staff of the purpose and guide staff through the requirements of the Consolidated Plan and processes. Recipients of federal CDBG funds must prepare a Consolidated Plan, often referred to as the "Con Plan". The Consolidated Plan is intended to act as a consolidated planning document that describes the housing and community development needs of the grantee community, the resources available to meet those needs, and the proposed actions to meet those needs. The Con Plan must cover a minimum period of at least 3 years, but not exceed more than 5 years.

The consolidated plan serves the following functions [24 CFR 91]:

1. A planning document for the jurisdiction, which builds on a participatory process among citizens, organizations, businesses, and other stakeholders;

2. A submission for federal funds under HUD's formula grant programs for jurisdictions;

3. A strategy to be followed in carrying out HUD programs; and

4. A management tool for assessing performance and tracking results.

A Consolidated Plan is also required for grantees under the federal Housing Investment Partnerships Program (HOME), Emergency Shelter Grant program (ESG), and Housing Opportunity for Persons with AIDS (HOPWA) Program. The Con Plan should address all of these programs if the grantee receives these funds. The Plan should also describe other resources that will be made available to meet the community's identified needs.

The Consolidated Plan must also include an Action Plan that is submitted each year. The annual Action Plan provides HUD with more details regarding the entitlement jurisdiction's plan to allocate funds through programs and projects that will meet the current needs of the community. In other words, where the Action Plan speaks to the specific activities that will be undertaken over the following year, the Consolidated Plan delivers a general outline and is considered to be a guiding document rather than a commitment to certain actions.

The Consolidated Planning requirements of **24 CFR 91** are not only requirements for documentation but also require the grantee to involve the public. HUD sees the Consolidated Plan and Action Plans as much as processes as they are documents, if not more so. From HUD's perspective, the document serves as evidence of the process.

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Unless cited otherwise, quotes from HUD in this section are from "GUIDELINES FOR PREPARING A CONSOLIDATED PLAN SUBMISSION FOR LOCAL JURISDICTIONS", "FY 2007 Implementation: New Local Regulatory Provisions for 3-5 Year Consolidated Plan Amendments", and "New Local Action Plan Submission Provisions". They all are available on the HUD website. The FY2007 and "new" requirements were released following the update and revision of 24 CFR 91 adopted in 2006 and implemented in federal fiscal year 2007.

PROGRAM YEAR

The program year for the City of Montebello coincides with the Fiscal Year, which begins on Jul y 1 and ends on June 30.

PLAN SUBMISSION AND REVIEW

Consolidated Plans and annual Action Plans must be submitted 45 days prior to the start of the program year which they cover.

HUD will not accept submissions before November 15 or after August 16 of the federal fiscal year for which the grant funds are appropriated. By statute, HUD has 45 days to review the Consolidated and Action Plans.

In May 2012, HUD's Office of Community Planning and Development (CPD) introduced the **eCon Planning Suite**, including the **Consolidated Plan template in IDIS Online** and the **CPD Maps** website. By creating a more cohesive planning and grants management framework and providing better data and a tool for analysis, the econ Planning Suite supports grantees and the public to assess their needs and make strategic investment decisions.

The Consolidated Plan template in IDIS facilitates the planning process by making critical data on housing and community development needs readily accessible to grantees in the format required by HUD. By providing detailed and timely demographic, housing affordability and economic data, the template frees up time formerly spent searching out and compiling data to allow grantees to focus on understanding the data, further boosting the process beyond simple compliance with reporting and budgeting requirements. Moreover, by providing a standard format for all the required Consolidated Plan elements, HUD is providing clear guidance on when requirements will be met.

With the incorporation of the Consolidated Plan and Annual Action Plans into IDIS Online, the key reporting elements of the grants management cycle are integrated into a single system. This will help ensure cohesiveness among

- the goals described in the Consolidated Plan and Action Plan,
- the activities and accomplishments tracked in IDIS, and

- the outcomes reported in the Consolidated Annual Performance and Evaluation Report (CAPER).

This integrated system makes the Consolidated Plan a more useful planning and management tool.

CPD Maps is an online data mapping tool for place-based planning. Grantees and the public can use CPD Maps to analyze and compare housing and economic conditions across their jurisdictions. The CPD Maps tool is publicly available, giving all community stakeholders access to the same data. The Consolidated Plan template allows grantees to insert maps and data tables from CPD Maps with ease, throughout their plan.

CONSOLIDATED PLAN CONTENTS

The regulations require that the Consolidated Plan include certain information about the community, that it answer certain questions about the community and the grantee jurisdiction, and that it tell HUD how the grantee intends to comply with certain program and HUD requirements.

In general, the following components are required [24 CFR 91.200]:

- description of the lead agency
- description of the planning process
- description of those who participated in the process
- description of consultations with other agencies and entities
- executive summary of the plan
- summary of the public planning process
- housing and homeless needs assessment
- housing market analysis
- Strategic Plan
- annual Action Plan
- required certifications
- monitoring plan
- citizen participation plan

The regulations specify the form and content of these components to varying degrees. It is key that those staff members who assist in the development of entitlement jurisdiction pay particular attention to those requirements identified in the regulations. In addition to 24 CFR 91, HUD has also provided additional guidance resources regarding the development of a Consolidated Plan. HUD provides links to "model" Consolidated Plans and best planning practices on its web site at http://www.hud.gov/offices/cpd/about/conplan/

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BACKGROUND AND GENERAL INFORMATION

The first four requirements above are typically presented in a background section that includes general information about the community. Details on what HUD is looking for in these sections are summarized below.

DESCRIBE THE LEAD AGENCY

From HUD: "The jurisdiction must identify the lead agency or entity for overseeing the development of the plan and the major public and private agencies responsible for administering programs covered by the consolidated plan".

The "lead agency" is going to be the grantee jurisdiction except in the rare case that the plan covers more than one jurisdiction. In this case, the lead agency is the City of Montebello.

DESCRIBE THE PLANNING PROCESS

HUD wants a general description of the planning process that identifies those steps taken by the jurisdiction to prepare for the development of the consolidated plan in a way that meets the federal requirements. This can be in the form of a narrative timeline of the planning process.

TELL HUD WHO WAS INVOLVED

HUD wants to know about the public and private agencies involved in planning for the use of funds. This can be as simple as a list of agencies.

TELL HUD WHO YOU "CONSULTED"

HUD requires that you "consult" with agencies that have knowledge of housing and community development needs. There are certain required consultations. These are described in more detail in the following section. You need to list those agencies you consulted in the preparation of the plan. HUD encourages entitlement jurisdictions to consult with dynamic pool of community representatives that can include local businesses, developers, non-profit agencies, faith-based organizations, the general public and other parties that carry an interest in the community.

EXECUTIVE SUMMARY

Grantees must provide a separate "executive summary" of the Consolidated Plan. This should be a short description of the Consolidated Plan. HUD wants the executive summary to include the objectives and outcomes that have been identified in the plan and for it to discuss the past performance of the grantee.

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PUBLIC PROCESS SUMMARY

Jurisdictions need to summarize the "citizen participation process" that was implemented to gain public input. This is often a separate section or an appendix to the plan. This section describes the various public workshops, public hearings, and public meetings of elected or appointed bodies. The public process summary should specifically mention when and how the public was informed of these meetings and should provide a summary of the public comment captured at the meetings. In addition to the public meetings, HUD wants to know when and how the public was informed of the planning process; when and how they were given an opportunity to review the plan document.

Please note: HUD wants draft documents to be made available on-line at the entitlement jurisdiction's web site.

Copies of all public notices with evidence of when they were posted should be captured.

COMMUNITY NEEDS

HUD requires that the Consolidated Plan discuss the community's needs in general and specifically discuss those identified housing needs, homeless needs, and provide an analysis of the local housing market.

GENERAL COMMUNITY NEEDS

Although the regulations and HUD are not specific about the discussion of general needs there should be substantial presentation of the community's demographics including current characteristics and trends in population, age, education, employment, race/ethnicity, household characteristics, and characteristics of special needs populations (elderly, disabled, large households, single parent households, persons addicted to drugs and alcohol, persons with HIV/AIDS, victims of domestic violence, and persons receiving public assistance).

HOUSING NEEDS

The requirements for the discussion of Housing and Homeless Needs are much more specific. Housing needs must be projected for the Consolidated Plan period. Housing needs must be discussed by income group and by renters vs. owners. Data from the US Census must be used. Census data may be complemented by other reliable data sources and local surveys. Consultation with local service providers and advocates should also be reflected in the discussion of housing needs.

The housing needs of the following special needs groups must be discussed:

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- elderly
- disabled
- single persons
- large families
- public housing residents
- families on the public housing waiting list
- persons with HIV/AIDS and their families

The discussion of housing needs must also include:

- housing cost burden
- over-crowding (especially for large families)
- housing conditions

The discussion must provide specific information by income group and tenure. The needs assessment must also include an analysis of how any particular ethnic or racial group has disproportionate housing needs.

DATA SOURCES

Special US Census data tabulations for the preparation of Consolidated Plans including data on housing needs are available from HUD's Policy Development and Research Information Service or "PD&R" from the "HUD User" website: http://www.huduser.org/dalasets/cp.html.

CHAS Data

One special data set that can be a useful tool in developing an effective Consolidated Plan is called "CHAS Data". This source of data is a collection of custom tabulations that were once used in the preparation of what was known as a "Comprehensive Housing Affordability Study" (CHAS), which has since been replaced by the Consolidated Plan. It, along with other data sources, can be accessed through what is called the "State of the Cities Data System" (SOCDS) at http://socds.huduser.org/. CHAS Data can be pulled at this website: http://socds.huduser.org/chas/index.html.

Consolidated Plan Template in IDIS

The Consolidated Plan Template in IDIS makes data on housing and community development needs readily accessible to grantees in the format required by HUD. The provision of detailed and timely demographic, housing affordability and economic data in the template frees up staff time to allow grantees to focus on understanding the data, further boosting the process beyond simple compliance with reporting and budgeting requirements.

Both the Consolidated Plan Template in IDIS Online and CPD Maps draw on multiple data sources to produce data tables, populate maps and create reports. The following data sources are used by both tools.

- American Community Survey (ACS)
- eCon Planning Suites data
- Fair Market Rents (FMR)
- HOME Program Rent Limits
- HOME Income Limits
- Homeless Data Exchange/Annual Homeless Assessment Report Data
- Homeless Data Exchange Public Report
- Assisted Housing (IMS/PIC)
- Physical Inspection Reports

Data sources from HUD and others are listed in HUD's Consolidated Plan Data Sources page http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/about/conplan/cp_data.

The Consolidated Plan must include a concise summary of the extent and nature of the community' s homeless population including chronically homeless individuals and rural homelessness. It must include a distinct analysis of need for services and facilities for homeless individuals, families, families with children, sheltered, unsheltered and other homeless subpopulations. The summary should provide the characteristics and needs of low- and very-low-income families that are threatened by homelessness. This section should also present a brief narrative on the racial and ethnic characteristics of the homeless population to the greatest extent possible. HUD requires the Consolidated Plan include "Table 1A" to present this information.

SUPPORTIVE HOUSING NEEDS

The discussion must include an estimate of non-homeless persons with special needs and a discussion of their needs. These populations include elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or drug addictions, persons with HIV/AIDS and their families, public housing residents, and any other population the grantee believes have a need for supportive housing. HUD requires jurisdictions to use "Table 1B" to present this information.

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LEAD-BASED PAINT HAZARDS

The Consolidated Plan must include an estimate of housing units occupied by low-income households that may contain lead-based paint. The Plan must also discuss the incidence of actual lead poisonings attributable to lead-based paint in the grantee jurisdiction.

HOUSING MARKET ANALYSIS

GENERAL SUPPLY AND DEMAND

The Consolidated Plan must discuss the supply of, demand for, condition and cost of housing in the grantee jurisdiction. This must include specific discussion of housing serving persons with special needs and low-income households. (See Housing Needs.) Condition of housing units must estimate the number of vacant and abandoned housing units and the suitability of these units for rehabilitation and occupancy.

INCOME, RACE AND ETHNIC CONCENTRATION

The Consolidated Plan must identify and describe any areas with concentrations of low-income households and areas of racial or ethnic concentration. A low-income concentration area is a primarily residential area where 51% or more of the housing units are occupied by low-income households. The grantee must determine and justify the threshold for race/ethnic concentration. These areas should be illustrated using maps in the plan.

PUBLIC HOUSING AND AFFORDABLE HOUSING

The Plan must discuss the needs of public housing and other subsidized affordable housing. This must include an identification of the developments, number and type of units, condition, physical needs, and the results of any recent Section 504 evaluation. The Plan should discuss the local Public Housing Authority's (PHA) management plan and identify if the PHA is operating under an HUD-approved PHA Plan.

Discussion of privately-owned affordable housing must include the target income levels, source of assistance, term of affordability and an evaluation of the likelihood of conversion to market rate.

HOUSING FOR THE HOMELESS

The Plan must describe the services and facilities available to meet the needs of the homeless and chronically homeless. This must include separate mention of emergency shelter, transitional

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housing, and supportive and non-supportive housing for the homeless. The percentage available to and currently serving the chronically homeless should be estimated.

SPECIAL NEEDS HOUSING—NON-HOMELESS

The Consolidated Plan must describe services and facilities available to special needs populations who are not homeless. The Plan must also describe services and faculties for those discharged from hospitals and institutions.

BARRIERS TO AFFORDABLE HOUSING

The Plan must describe barriers to the development of affordable housing including the general cost of construction and other public or private factors that may pose a barrier to the development, maintenance or improvement of affordable housing. This includes local tax policy, land use controls, building codes, fees, growth limits or other factors.

STRATEGIC PLAN

The Strategic Plan section of the Consolidated Plan discusses the priority needs of the grantee jurisdiction and the allocation of resources to meet those needs as well as strategies to meet specific HUD-mandated goals.

PRIORITY NEEDS

Staff will need to discuss the general priorities for allocating resources both geographically and amongst activities. Use the tables provided by HUD to summarize priority given to various needs and resources allocated.

A description of the rationale used to determine the allocation of resources with particular attention to distribution across income groups will need to be provided.

OBSTACLES TO MEETING UNDER-SERVED NEEDS

This section should describe any identified obstacles to meeting under-served needs in the grantee jurisdiction.

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SPECIFIC OBJECTIVES

Summarize the specific objectives the grantee has for the planning period including resources available and which identified needs will be met. Each objective must include proposed quantified accomplishments for the planning period and measurable outcomes. (See performance measurement guidance from HUD.) Use Tables “1C” and “2C”.

AFFORDABLE HOUSING

Describe the strategy for meeting affordable housing needs by income group and tenure. Discuss the allocation of resources made available for rental assistance, production of new units, rehabilitation, acquisition and preservation. Enumerate the number of households under the plan who will receive assistance by income group. Use Table 2A.

PUBLIC HOUSING

This section will need to discuss the strategy for meeting the needs of public housing and the needs of public housing residents including homeownership. If the local PHA has been designated as "troubled" by HUD, the grantee must describe the resources it will make available to the PHA. You should contact your local PHA or HUD Field Representative to determine if the PHA has a "troubled" designation and if so, why.

HOMELESSNESS

Identify and describe the grantee jurisdiction's strategies for the following:

- Helping low-income families avoid/prevent homelessness;
- Homeless outreach and needs assessment;
- Meeting emergency shelter and transitional housing needs of the homeless; and
- Helping homeless and chronically homeless transition to permanent housing and independent living.

NON-HOMELESS SPECIAL NEEDS

Summarize the priority needs for special needs populations not related to housing and strategy for meeting those needs. Use “Table 1B”.

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NON-HOUSING COMMUNITY DEVELOPMENT (CDBG ONLY)

Describe the non-housing community development needs that will be met. These must be provided by CDBG eligibility category. Use Table 2B.

NEIGHBORHOOD REVITALIZATION

This section will need to present any geographically targeted revitalization efforts. This includes any HUD-approved or proposed Neighborhood Revitalization Strategy Areas (NRSAs).

BARRIERS TO AFFORDABLE HOUSING

Describe any barriers to the development of affordable housing including the general cost of construction and other public or private factors that may pose a barrier to the development, maintenance or improvement of affordable housing. This includes local tax policy, land use controls, building codes, fees, growth limits or other factors.

LEAD HAZARD REDUCTION

The grantee's strategy to reduce lead-based paint poisoning hazards will need to be summarized. The grantee must discuss how the federal Lead-Safe Housing Rule and local lead hazard reduction strategy will be integrated into the grantee's housing programs.

ANTI-POVERTY

Describe the grantee' s strategy to reduce the number of poverty-level families. Describe how the grantee's housing programs will reduce poverty and how they will be coordinated with the other programs and services available to relieve and reduce poverty in the grantee jurisdiction.

GAPS IN INSTITUTIONAL STRUCTURE

Describe the grantee's strategy to reduce gaps in institutional structure that impair the ability to implement the Strategic Plan.

COORDINATION

This section will need to provide a description of the grantee's strategy to enhance coordination between public and assisted housing providers, private and public service agencies in order to

implement the Strategic Plan. Homeless coordination must address the needs of the chronically homeless. Economic development coordination should describe coordination with private industry.

ANNUAL ACTION PLAN CONTENTS

The Action Plan discusses the specific activities planned for each year and the resources available. It implements the Consolidated Plan on a more detailed level. It must be submitted annually and approved by HUD before funds are released. The first-year Action Plan for the Consolidated Planning period is submitted with the Consolidated Plan.

The required elements of the Action Plan and a brief discussion of each follow.

EXECUTIVE SUMMARY

An executive summary of the Action Plan is required. This element should briefly outline the Action Plan and planning process. It must include a summary of objectives and outcomes for the plan year and discuss past performance.

RESOURCES

Staff needs to provide a summary of all funds that will be available in the year to meet identified needs. These resources may be insufficient to meet needs or in excess of need. This should include all formula grants expected, loan payments and program income, and un-expended prior year funds. Any significant assets or real property that is available should also be discussed.

The availability of funds not directly controlled by the grantee should also be discussed in general. This would include federal homeless funds (Mc Kinney-Vento) and funding for the local housing authority, especially funds for the Housing Choice Voucher program.

Other funds from all sources should be summarized. These would include reserved Low-Income Housing Tax Credits and other state and local funds and programs.

Where there is a matching requirement or there is significant local support for specific activities or the CDBG program in general, this should be mentioned in this discussion.

The discussion of CDBG funds must include:

- Program income expected to be received in the upcoming plan year.
- The amount expected to be generated by and deposited into revolving loan funds in the current plan year.

- The amounts expected to be received by "float-funded" activities in the current plan year and all prior plan years.
- Prior year program income, Section 108 loan proceeds or funds returned to the line-of-credit that have not previously been programmed.

SPECIFIC ANNUAL OBJECTIVES

The Action Plan must summarize the specific objectives and priority needs that will be met during the plan year. This is often done by summarizing the planned activities under each specific objective.

The relationship between a planned activity and specific objective(s) and priority need(s) should be discussed when describing the activity. The priority need and specific objective are also included in HUD "Table 3C - Consolidated Plan Projects". The proposed accomplishments and outcome of the annual activity should be related back to meeting the planned accomplishments and objectives of the Strategic Plan section of the Consolidated Plan.

DESCRIPTION OF ACTIVITIES

Staff should ensure the Action Plan includes a general narrative description of each planned activity, relate each activity to a priority need and specific objective; and the Action Plan must describe the proposed accomplishments for each. The Action Plan must also estimate the number and type of beneficiaries including income level. A start and completion date must be provided for each activity. Each activity must have an outcome measure associated with it. This information is also included in "Table 3C".

There are specific requirements for the description of "float-funded" CDBG activities. (A "float-funded" activity is an activity that will re-pay the CDBG grant line of credit in the short-term.)

ALLOCATION PRIORITIES

The Action Plan must explain why certain activities were funded over others and how the levels of funding were determined. If there were any particular obstacles to meeting under-served needs, they should be discussed.

GEOGRAPHIC DISTRIBUTION AND LOW/MODERATE INCOME (LMI) BENEFIT

The Action Plan must show and describe the geographic distribution of planned activities. An estimate of funding directed to target areas should be provided.

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The Action Plan must estimate the percentage of annual CDBG funding that will benefit Low/Moderate Income (LMI) persons and households. The specific location of CDBG activities must be identified and shown in relation to LMI areas. For activities that do not have a specific location or where there is a need to maintain secrecy the Action Plan should describe the general location or the general area that will likely benefit. Where there are CDBG-funded activities for which locations have yet to be determined such as business assistance or housing rehabilitation loans the Action Plan must describe who may apply and how recipients will be selected.

The use of funds in Neighborhood Revitalization Strategy Areas or as part of a coordinated effort focused on improving conditions within a specific area should be discussed.

ANNUAL AFFORDABLE HOUSING GOALS

Much as the Strategic Plan section of the Consolidated Plan has five-year goals for housing, the Action Plan must describe the annual goals for homeless, non-homeless and special needs. The number of households assisted via rental assistance, construction, rehabilitation and/or acquisition must be specified.

HOMELESS

Staff will need to ensure the Action Plan identifies activities that meet the needs of the homeless for emergency shelter and transitional housing or that provide supportive services that prevent homelessness or assist the homeless to be placed in housing or remain in housing. This includes un-related individuals, families with children and the chronically homeless.

SPECIAL NEEDS

HUD requires the Action Plan discuss how activities meet the needs of populations having special needs such as the disabled and persons living with HIV/AIDS.

PUBLIC HOUSING

The Action Plan will need to include a description on how the planned activities will assist the local public housing authority (PHA). If the local PHA is "troubled" the Action Plan must describe the efforts the grantee will take to help the PHA remove that designation'

ANTI-POVERTY STRATEGY

A brief discussion on how the planned activities will help to reduce the poverty level in the jurisdiction will need to be provided.

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LEAD-BASED PAINT HAZARD REDUCTION

The Action Plan will need to include a section that discusses the extent of lead-based paint hazards and how planned activities will reduce the hazard. If there are specific activities that may have the potential to effect lead-paint hazards these should be discussed. The annual implementation of the grantee' s Lead Hazard Reduction plan should be discussed. Activities that have the potential to disturb lead-based paint should be mentioned and specific efforts or program design elements that reduce lead exposure or abate lead hazards should be described.

"OTHER ACTIONS"

The Action Plan must discuss the following "other actions" the grantee will undertake in the plan year to meet various grant and general HUD grantee requirements.

- Address obstacles to meeting under-served needs
- Foster and maintain affordable housing
- Remove barriers to affordable housing
- Develop institutional structure
- Enhance coordination between public and private housing, health and social services agencies
- Encourage public housing residents to become more involved in management and participate in home ownership

FAIR HOUSING

There should be a discussion of actions related to the grantee's obligation to affirmatively further fair housing. This should relate to the implementation of the grantee's Analysis of Impediments to Fair Housing Choice. Any changes in the grantee jurisdiction that impact fair housing should be discussed along with any appropriate changes to the grantee' s fair housing program.

MONITORING

This section should describe the policies and practices in place to monitor activities and assure long-term compliance. This includes any specific sub-grant requirements and the administrative requirements of federal funds in general. The monitoring discussion should include plans to assure affordable housing compliance, the timely expenditure of funds, site inspections to determine housing code compliance and on-site sub-recipient monitoring. Labor compliance and the verification of environmental mitigation requirements should also be mentioned.

Grantees should also discuss the local implementation of performance measurements.

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CITIZEN PARTICIPATION PLAN CONTENTS

HUD has very specific requirements for how the public is to be informed and involved in the planning process. HUD requires that the grantee spell out exactly how it will meet these requirements by developing and adopting a Citizen Participation Plan as part of the consolidated planning process. This plan only needs to be updated as the practices of the grantee change or as HUD changes requirements for public participation.

There are also certain minimal public participation requirements for the development of the consolidated plan, the annual action plan and the annual performance report.

The minimal public participation requirements for the consolidated plan are buried in the regulations for the citizen participation plan. It is helpful to look at them separate from plan requirements.

MINIMUM PUBLIC PARTICIPATION REQUIREMENTS

ENCOURAGEMENT OF CITIZEN PARTICIPATION IN GENERAL

HUD wants the grantee to involve those who are most likely to be impacted and therefore potentially benefit from the use of CDBG funds. This includes low- and moderate-income persons and those living in CDBG target areas. HUD "expects" the grantee to encourage the participation of minorities, non-English-speaking persons and disabled persons.

The grantee is required to involve local and regional agencies in plan preparation specifically businesses, developers, and community and faith-based organizations.

HUD encourages the use of "alternative techniques" to involve the public such as internet- based applications and small group consultations.

The grantee is required to make a specific effort to involve residents of public and other forms of assisted housing. This effort is to be coordinated with the local PHA. The grantee should share its plans for planned activities with the PHA.

CITIZEN PARTICIPATION DURING PLAN DEVELOPMENT

At least one public hearing must be held during plan development, prior to publication of the plan. The public hearing should discuss housing and community development needs and proposed activities. Many grantees have two separate hearings, one on needs and one on proposed activities.

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Public hearings must have "adequate advance notice". HUD does not provide a statutory definition but it does state in the regulations that "small print notices ... a few days before the hearing" are not adequate. HUD also offers that it considers two weeks' prior notice as adequate. Public hearings must also be held in such a place and at such a time as to facilitate the participation of actual or intended beneficiaries. The grantee must offer accommodations to the disabled and those with limited English proficiency.

Before adoption, the grantee must make available to the public information regarding:

- The amount of assistance expected (new grant funds and income)
- The range of activities planned to be undertaken
- The estimated amount planned to be expended to benefit to low- and moderate-income persons.

The proposed plan must be published to allow time for the public to review and comment. The publication requirement can be met by publishing a summary of the plan in at least one newspaper of general circulation and by making copies of the plan available in local libraries, government offices and public places such as community centers. A "reasonable number" of copies of the plan must be made available free to the public. The summary must at a minimum describe the contents and purpose of the plan and tell the reader where copies of the entire plan may be reviewed. The plan must be made available in a form accessible to persons with disabilities when requested.

The grantee must allow for a public comment period of not less than 30 days.

HUD requires that all public comment be considered during plan development and that a summary of public comment be included in the plan document. The grantee's response to all comments must be documented in the plan. Comments that are not accepted must have the reason they were not accepted included in the plan.

The plan document, related documents and records related to plan development must be made available to the public in a "reasonable and timely manner".

PLAN AMENDMENTS

During the approved Consolidated Plan period, decisions by the jurisdiction to make changes to certain programmatic items may result in the grantee having to amend its plan. Changes that would require an amendment to the Consolidated Plan include:

- Allocation priority changes or changes to the jurisdictions method of distribution;
- A change in activities to be carried out by the jurisdiction that were not originally included in the approved Action Plan; and/or

- Changes to an activity that will affect the purpose, scope, location, or beneficiaries

The jurisdiction is required to establish criteria for substantial amendments in the development of their Citizen Participation Plan. The criteria identified will be utilized to determine whether any changes will be considered a substantial amendment. Substantial amendments are subject to citizen participation requirements followed during the preparation of the Consolidated Plan and must follow the jurisdictions Citizen Participation Plan developed in accordance with 24 CFR Part 91 requirements. Substantial amendments require a public comment period and citizens must be provided reasonable notice and an opportunity to comment on amendments. The amended Consolidated Plan or Action Plan will have to be re-adopted by Council.

Upon completion of the amendment and after a comment period, HUD must be notified of amendments to the plan and the jurisdiction is required to submit the amendments to HUD for approval.

PERFORMANCE REPORTS

The grantee must describe how the public will be afforded an opportunity to comment on performance reports and that those comments will be considered. A summary of the public comments must be attached to the performance report.

PUBLIC HEARINGS

The regulations state the grantee must hold at least two public hearings per year at two different times during the year, with one being conducted prior to the adoption of the Consolidated Plan. These hearings should address housing and community development needs, proposed activities, and program performance. This section must describe how "adequate advance" notice of public hearings will be given to the public and how the hearings will be held in places and at times convenient to actual and potential beneficiaries. A description of how the needs of non-English-speaking persons and people with disabilities will be accommodated needs to be provided.

In practice, most communities conduct one or two public hearings when the consolidated plan and annual Action Plans are being developed and one when the annual report (CAPER) is presented to the governing body.

HUD does not define "adequate advance" notice but it is quite specific in the regulations about inadequate notice, ''Publishing small print notices in the newspaper a few days before hearing does not constitute adequate notice. Although HUD is not specifying the length of notice required, it would consider two weeks [to be] adequate”. [24 CFR 91.1 10 (e)(2)]

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PUBLIC ACCESS

Describe how residents will be provided with "reasonable and timely" access to meetings and to public records related to the use of CDBG funds for the preceding 5 years. Identify the steps taken to assure the Consolidated Plan, amendments and performance reports will be made available, and how they will be made available in a form accessible to the disabled.

HUD does expect the public will have relatively easy access to the grantee's records. Many grantees maintain one or more public information binders that are available in public places or on request. Availability on the grantee's website in electronic form is also generally expected.

TECHNICAL ASSISTANCE

The grantee must describe how technical assistance will be given to low- and moderate-income groups or persons who wish to develop proposals for the use of grant funds.

COMPLAINTS

A brief description must be provided on how the grantee will handle complaints and deliver a written response in "timely and substantive" manner.

HUD expects CDBG grantees to respond to complaints within l5 working days. It is not specific with other types of grantees.

Moreover, the Citizen Participation Plan must require that the grantee follow the plan. It must commit the grantee to meeting the requirements of the Plan and be adopted as official policy and practice of the grantee jurisdiction.

CITIZEN COMMENT ON THE CITIZEN PARTICIPATION PLAN

The Citizen Participation Plan document must be made available for public review and comment before it is adopted and if it is ever amended. If you take the Citizen Participation Plan through the same review process as the Consolidated Plan you will meet the review requirements.

THE CONSOLIDATED PLANNING PROCESS

CONSULTATION

As mentioned in the previous section, HUD requires the grantee to consult with certain agencies when preparing the plan. These consultations are both general and specific to certain topics.

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What HUD means by "consultation" are meaningful interactions with these agencies that result in "collaboration and collective problem-solving". HUD wants the grantee to develop, "partnerships among government agencies and between government and private groups ...[that]...marshal government and private resources to achieve intended public purposes".

HUD wants the plan to be a comprehensive document that reports on the needs of the community. The assumption is that the grantee does not have a sufficient breadth or depth of knowledge to represent the complete needs of the community.

GENERAL CONSULTATION

In preparation of the plan in genera/, the grantee must consult with public and private agencies that provide:

- Assisted housing
- Health services
- Social services
- Fair housing services

HUD also requires that among those agencies, ones that focus on meeting the needs of certain specific groups be consulted. These groups are:

- Children
- Elderly persons
- Persons with disabilities
- Persons with HIV/AIDS and their families
- Homeless persons

Adjacent units of local government should be consulted. In particular, agencies having planning areas that cross local jurisdictional boundaries or concern regional matters (e.g., transportation, air quality) should be consulted.

HOMELESS

In preparation of the section on homeless needs, the grantee must consult with public and private agencies that provide assisted housing, health services and social services to determine what resources are available to meet the needs of the chronically homeless.

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LEAD-BASED PAINT HAZARDS

In preparation of the section on lead-based paint hazards the grantee must consult with state or local health and child welfare agencies regarding the degree of lead-based paint hazard to children in the community. The grantee must also consider data on lead hazards and actual cases of childhood lead poisoning in the community including residential locations of cases believed to be related to lead-paint poisoning.

NON-HOUSING COMMUNITY DEVELOPMENT

The regulations require that adjacent units of general local government be notified that the grantee is preparing a consolidated plan and that the non-housing community development plan be submitted to the state and the local county. Providing notification to these agencies along with the public is usually sufficient to meet this requirement.

PUBLIC HOUSING

The grantee shall consult with the local public housing agency (PHA). In most cases this will be the local housing authority, the agency that implements federal housing programs. HUD requires consultation regarding "public housing needs and planned programs and activities".

This consultation is relatively meaningful in preparation of the plan as one of the required plan certifications is that the PHA plan is consistent with the consolidated plan. The Consolidated Plan must also describe how the grantee will meet the needs of the local PHA, and if it is a "troubled PHA" how the grantee will assist the agency. HUD also expects that the grantee and the PHA will coordinate efforts to address common needs.

If a PHA is under a Section 504 Voluntary Compliance Agreement with HUD, the grantee should identify how it will assist the PHA with compliance, if the grantee is planning to assist the PHA. CDBG funds can be used to assist the PHA with accessibility requirements if the PHA is under a compliance agreement and needs are discussed in the plan.

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3. ACTIVITY SELECTION

OVERVIEW

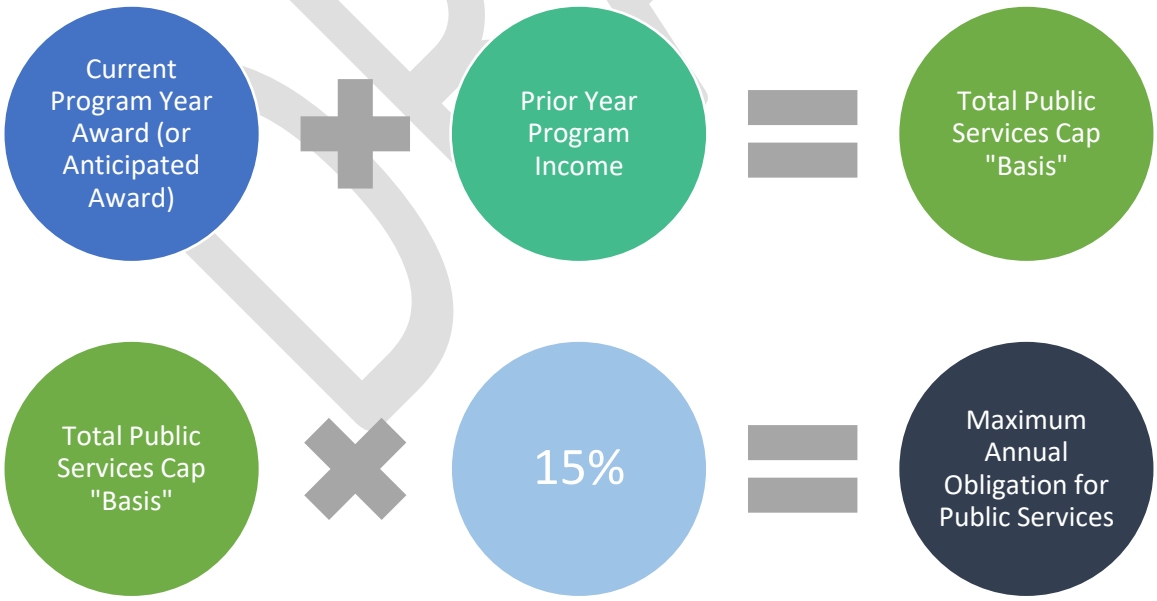
When working with the Community Development Block program, there several steps to consider when selecting an activity to fund. This section of the manual will guide staff through those steps in a manner and order that are efficient and effective.

CATEGORICAL ANNUAL SPENDING LIMITS

When determining the activities to be funded and planning for the use of CDBG funds the two major categorical limits on the use of CDBG funds must be considered – public services and administration.

PUBLIC SERVICES

In any program year, the grantee may not "obligate" more than 15% of the current year's entitlement and 15% of the previous year's program income to public services activities [570.201(e)].



It is important to understand the term "obligation". This means that no more than the public services cap can be allocated to public services activities or otherwise committed each year. It is

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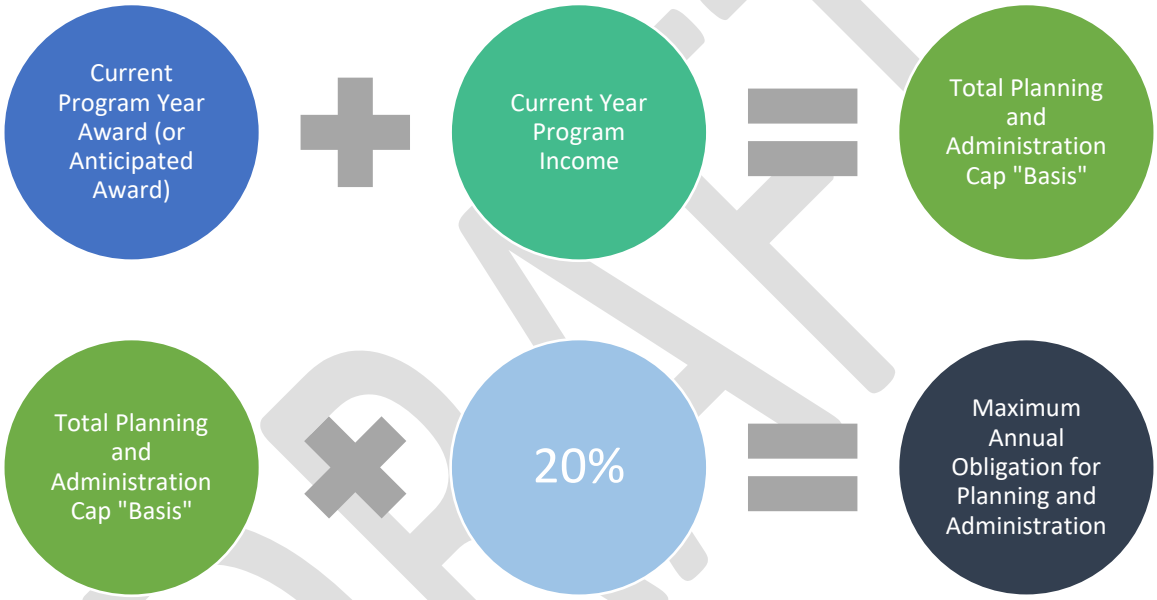
also important to realize that the cap amount is re-calculated each year, and if all funds obligated to public services are not expended within the program year, the remaining obligated but un-expended funds are not available to obligate in subsequent years. This scenario is often referred to as "use-it-or lose-it".

ADMINISTRATION

The limit on planning and administrative activities [570.205 and 570.206] is similar to public services with the exception that it is calculated at 20% and uses the current year award and current year program income. [570.200(g)]



The annual cap on planning and admin is also "use-it-or lose-it" Scenario. It is recommended to over-allocate staffing and overhead costs to the CDBG program (assuming that they are accurate and reasonable) and back them out at the end of the year. Otherwise a grantee will not be able to take advantage of the provision to use 20% of program income.

Note: Re-Payments of principal and interest that go into a Revolving Loan Fund are NOT included in the calculation of the annual caps for public services or planning and administration. Interest on RLF balances or other “advances of federal funds” are also not program income. Such interest must be remitted to the U.S. Treasury.

PROPOSALS

The first step is to solicit proposals for the use of CDBG funds. This process occurs as part of the annual planning process discussed more fully in the annual Action Plan section. There are several ways that proposals can be generated and typically several are used in the same planning process. There is no process or limit required by HUD other than the public must be involved in determining the use of funds as described in the Citizen Participation portion of the manual.

City staff is often consulted to determine if there are city projects appropriate for CDBG funding. City staff should also internally determine how much funding will be needed for administrative and planning purposes.

An external request for proposals (commonly referred to RFPs) can be made of specific organizations who serve the community or be targeted at certain types of organizations that provide services or can undertake projects that would meet high priority needs. A request for proposals has the flexibility to solicit only a select type of services or can request a broad range of CDBG-eligible services and projects.

THRESHOLD CRITERIA

There are several "threshold criteria" against which any proposed CDBG activity should be evaluated. These are:

- statutory eligibility
- national objective
- overall low-to-moderate income benefit
- non-supplanting
- priority need
- eligible means

Every activity must also comply with HUD environmental review requirements.

STATUTORY ELIGIBILITY

A proposed activity must fit within the activities described in the CDBG regulations at 24 CFR 570.201 through 570.206. They may not be among those described in 24 CFR 570.207 as "specifically ineligible" even if they otherwise appear to be eligible.

There are six broad categories of eligible activities:

- "Basic eligible activities" (570.201)
- "Rehabilitation and Preservation" (570.202)
- "Special Economic Development" (570.203)

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- "Special Community Based Development Organizations (CBDO) " (570.204)
- "Planning, design and capacity-building" (570.205)
- "Program Administration" (570.206)

If an activity is being considered that does not fit within the description of eligible activities, it cannot be considered to be eligible. If grantee is uncertain as to the eligibility of an activity staff should consult the local HUD Field Representative as mentioned earlier in the manual. Once discussions are held and a result is produced, staff should document the determination in writing in the form of a formal request for or statement of determination of eligibility.

Another general rule of eligibility is that an activity should be qualified as eligible under the sub-section that it best fits. If there is more than one possibility, the most accurate and common-sense possibility should be used.

Staff should examine the eligibility of each activity within the context of the specific sub-section under which it is eligible - planning under the terms of 570.205, public services under 570.201(c), etc.

The section regarding specifically-ineligible activities describes three categories of activities for which CDBG may not be used:

- Buildings used for the general conduct of government
- General government expenses (except eligible direct planning and admin and indirect costs allowed under federal rules)
- Political activities

The regulations also provide guidance on several categories of activities that are only eligible under specific circumstances or when carried out by specific entities such as:

- Purchase of equipment, furnishings and personal property
- Operating and maintenance expenses
- Construction of new housing
- Income payments

MEETING A NATIONAL OBJECTIVE

The proposed activity must be able to meet one of the three National Objectives. In review, these are:

- Primarily benefiting low- and moderate-income persons
- Preventing or eliminating blight
- Addressing an urgent need

See the section "Meeting a National Objective" and the CDBG "Desk Guide" for a more detailed description and discussion of National Objectives. The activity should be reviewed in light of its ability to meet the proposed National Objective.

It is rare that an activity will be proposed that would meet a National Objective other than that of "primarily benefitting low- and moderate-income persons". This objective is also known as the "LMI Benefit".

In the case of meeting the "LMI benefit" National Objective, special attention should be paid to the match between type of activity and the way that the LMI benefit test is met. If the proposal includes a method for determining and documenting LMI benefit, the method should be evaluated for its appropriateness to the particular LMI benefit test being applied and the general efficacy of the method in regards to practice and documentation of results.

Activities that have an area benefit should have the determination of service area and the determination of that area as a low-to moderate-income area documented in the file.

OVERALL LMI BENEFIT

The activity should be evaluated for its potential impact on the requirement that not less than 70% of aggregate CDBG expenditures benefit low-to moderate-income persons.

In general, it is best to only select activities that will or are likely to primarily benefit low-to moderate-income persons/households. This allows some flexibility should the documentation of income benefit be faulty.

PRIORITY NEED

The activity must meet a priority need identified in the Consolidated Plan. This is why it is important that the Consolidated Plan be comprehensive and broadly define community needs.

The activity does not need to meet a high priority need to be selected. If it is meeting a need identified as low priority, it is recommended internal discussion be held amongst staff to why it has/should be selected.

If an activity that meets a lower priority need is selected over one that meets a higher priority need the reasons should be clearly documented.

MEANS OF CARRYING OUT THE ACTIVITY

CDBG activities may only be carried-out by the following types of entities:

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- grantee using grantee employees
- grantee through contractors
- loans or grants to sub-recipients
- public agency
- qualified Community-Based Development Organization (CBDO)

In the last three instances, the entities are acting as sub-grantees. Any entity can act as a contractor but only certain entities can be sub-grantees.

The use of contractors must be done following federal procurement rules. The selection of a sub-recipient, a public agency or a CBDO (acting as a sub-grantee) does not need to follow procurement rules but should nonetheless be deliberate, fair and transparent. The use of contractors by any type of sub-grantee must' be done following federal procurement rules.

RANKING CRITERIA

In addition to the threshold criteria, each proposed use of funds should be ranked on the quality of the proposal, the feasibility of the proposed project and how well it meets the identified needs of the grantee community.

CAPACITY

The proposed activity should be measured against the capacity of the proposer. The proposer should have a successful background in similar projects of similar scale. If not, how does the proposer plan to create capacity? Review the proposer's level of staff with the skills and experience appropriate to the activity.

In addition to the capacity to undertake the proposed activity, does the proposer have the capacity to meet the administrative requirements of the CDBG program? Verify they can adequately document income eligibility, maintain records, and provide accurate reports in a timely manner.

A sub-grantee must also have some financial capacity to provide services and meet the administrative requirements of the CDBG grant independent of the grant itself. Does the proposer have other resources?

The proposer should have an organizational structure that assures integrity and internal controls. Is there an independent governing board? Staff should request and be able to review audited financial statements the proposer.

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Finally, the quality of the proposal document and its attachments is revealing as to capacity. Are the proposal requirements accurately and completely met? Are the questions answered? Is the document neat and legible? Does it reflect an organization that will take a sub-award of federal funds with the gravity it should?

SCOPE AND BUDGET

Analyze if the scope of the project is reasonable to accomplish within the CDBG program and within the proposed budget. The scope should be complete in light of the proposed accomplishments.

Verify the budget is complete and it considers all reasonable costs. Review the income assumptions and all funding sources for levels of security.

COST/BENEFIT

Evaluate the potential impact the project will have on the community on a priority need against the overall cost of the project. It is helpful to break down the cost per accomplishment unit. It should be noted that different types of projects will have widely different unit costs.

TIMELINESS

HUD regulations require CDBG funds must be used in a timely manner. The balance of funds at the end of the program year may not exceed 1.50 times the most recent annual entitlement amount. In the case of public services the annual limit (15%) does not rollover. Public services projects that do not use funds in a timely manner will impact the overall ability of local CDBG program to fund other public services. It is recommended that all projects have a time limit after which funds may be re-allocated.

The proposal should be evaluated for how likely it is that funds will be used in the time required. The proposal should include a schedule for when the project will hit performance milestones and when it will be complete. The proposed schedules should meet deadlines and be realistic

TRACK RECORD

If the proposer has performed a similar project for the requesting grantee before, how did they do? When applicable, staff should consider previous experience when selecting a proposer.

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If they have not done a similar project, have they done other projects for the grantee or similar projects for other grantees/entitlement jurisdictions? How did they do? Ask for references and call them.

LEVERAGE

Analyze how many other sources are being used to fund the project and/or support the proposing agency. Grantees should look for proposals that leverage additional funding sources. When other funding sources are being leveraged, it is recommended staff determine if the outside funds are secure or unsecure.

GENERAL POLICIES

Grantees should also be aware that there are several "special policies" in the regulations that apply to certain uses of CDBG funds. These are:

- 570.200(b) special policies governing facilities
- 570.200(c) special assessments under the CDBG program
- 570.200(d) consultant activities
- 570.200(j) faith-based activities

570.200(e) lists certain categories of activities that must have a written determination of eligibility made and retained in the file. These local determinations must be documented and retained. It is, however, good practice to do this for all activities.

CDBG PROGRAM GOALS

In the Consolidated Plan and annual Action Plan grantees are required to tell HUD how they will meet several overall CDBG program goals. The program goals are developed to help address the following needs:

- Affordable housing goals including homeless and special needs
- Homeless needs including shelter, transitional housing and services
- Special needs populations including the disabled and persons with AIDS
- Public housing
- Anti-poverty
- Lead-based paint hazard reduction
- Fair housing

Action Plans that do not address these needs, especially fair housing and homelessness, may be questioned by HUD.

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PUBLIC SERVICES "NON-SUPPLANTING" RULE

A public service funded by CDBG must be "either a new service or a quantifiable increase in an existing service". This is known as the "non-supplanting" rule. [570.201(e)] The idea is that CDBG funds should enhance or increase the level of local services provided to low-and-moderate income persons and not provide budgetary relief to local governments. Federal CDBG funds should not "supplant" local funds.

This rule applies to services that "have been provided by or on behalf of" the grantee using local or state funds. The grantee may not use CDBG funds to "supplant" an allocation of funds or a commitment to provide services that implies an a/location of funds that has been made in the 12 months preceding the submission of the Action Plan.

The grantee may be given an exception to this rule if HUD determines that the decrease in the level of service being made up using CDBG is "the result of events not within the control" of the grantee.

REQUEST FOR PROPOSALS (RFP) CONTENTS AND PROPOSAL REQUIREMENTS

When making a formal request for proposals, also known as an RFP, it is critical that submitted proposals have all the information required to make a decision. It is also important to have standardized responses to facilitate comparison of proposals. (See Appendix for sample RFP)

The request for proposals should include:

- Community and program background
- When, where, and to whom the proposal should be submitted
- Who to contact with questions
- Available funds
- Eligible use of funds
- Contracting requirements
- Conditions of funding (e.g., contracting requirements, insurance, monitoring, labor compliance)
- Proposal process timeline
- Evaluation criteria
- When and by whom award decisions will be made
- Number of copies, binding, certifications and attachments
- Proposal contents checklist (forms and attachments)
- Instructions for any required forms

The proposal requirements should include:

- General information on the applicant and proposal
- General description of the proposed project
    - Location
    - Statement of need and how project will meet that need
    - Beneficiaries (type, location, and number)
- Proposed accomplishments
    - Total persons/households
    - LMI persons/households
- Method to assure eligibility of beneficiaries
- Performance schedule with milestones
- Discussion of any similar programs or projects
- Performance measurement
- Organizational structure
    - General description of organization
    - Governing structure and board members
    - Evidence of incorporation and tax status/public benefit status
    - Articles of incorporation/bylaws
- Relevant experience
- Staffing
- Partners or co-applicants
- Budget (program and agency)
- Current financial statements
- Audited financial statements (if audited)
- Leverage
- Evidence of insurability
- Governing board authorization to apply and contract if awarded
- Federal lobbying disclosure (SF-LLL)
- Conflict of interest certification (Byrd amendment)

RFP PROCESS

The RFP process begins with publication of the RFP and ends with the award of funds. The steps in between vary somewhat by grantee. What follows are a general description and a suggested process.

PREPARATION

Well in advance of the dale when allocation and award decisions need to be made, preparation for the RFP begins. The first step is the schedule. Although it will likely follow the same general schedule from year to year, actual dales may need to be adjusted to accommodate holidays and governing board and/or committee calendars.

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The means of publication and distribution should also be decided. If mailing and or e-mailing will be done, a list of addresses should be prepared. There is often interest in the CDBG program expressed throughout the year. A list of interested agencies and persons should be maintained year-round in anticipation of the annual planning process.

The RFP documents need to be prepared. This includes notices, the RFP itself, RFP forms, evaluation/ranking forms, governing board and/or committee report templates, award/deny letters and a record-keeping system.

PUBLICATION

The RFP may be widely publicized or narrowly targeted. Many grantees include a notice of RFP in the annual planning notice for CDBG that meets the public participation requirements of the Action Plan. A notice and the RFP itself are commonly sent to recent recipients and previous applicants.

There is no HUD requirement for publication when using sub-grantees. In the case of contractors, formal procurement rules must be followed.

Grantees often publicize the RFP on their website and make RFP materials available via the web.

WORKSHOP AND Q&A

After the RFP is published, it is recommended the grantee hold a workshop/conference for prospective proposers. This serves several purposes including increasing the likelihood of receiving quality applications, reducing the number of errors, fulfilling the obligation to provide technical assistance to non-profits, and to get an understanding of the interested organizations.

It is important to be available for and to respond promptly to questions regarding the request for proposals. Occasionally an applicant will spot an error in the RFP or have a question that would pertain to the request in general. When this occurs, it is important to publish a correction, revision or clarification immediately, so all interested applicants have equal access to any new information.

If a correction the RFP needs to be made after proposals have already been received, applicants should be given adequate time to revise in light of the correction. If you are aware of pending applications, it is recommended the applicants be contacted immediately and in person. The correction should be publicized by the same means the RFP was publicized.

Grantees may decide whether or not to accept draft proposals for review and guidance. If this process is elected, it is recommended a deadline be posted for early submission.

SUBMISSION

The proposal should have clear instructions regarding to whom, where, when and how to submit. Instructions should be given for delivery by USPS, courier or other acceptable means. If electronic submissions are acceptable the format should be specified.

The location for submission should be accessible and the hours noted. There should be a means of assuring that proposal submissions are logged, the proposal is date-stamped and there is a process for acknowledging submission.

EVALUATION AND RECOMMENDATIONS

Each proposal should be carefully evaluated. The first step in the evaluation should be to determine if the application is complete. The grantee should have an established policy in place to address incomplete applications. Generally, a proposal is accepted if it is "substantially complete". Rejecting a proposal for a minor omission or error might be perceived as punitive and potentially exclusive.

If a proposal is incomplete or contains an obvious error the applicant should be notified immediately and may be given a deadline to provide the missing component or documentation.

The next step is a cursory review of the application. If there is anything unclear in the application this is the point at which the applicant should have the opportunity to clarify.

The final step is the complete evaluation and ranking of the proposals.

Once proposals have been evaluated and ranked a summary should be prepared for the decision-makers/review committee. This should summarize the proposal and how it aligns with the RFP criteria.

AWARDS

Once decisions are made regarding the award of funds. each applicant should be formally notified in writing in a timely manner.

DOCUMENTATION

The entire proposal and decision-making process should be carefully and completely documented. Complete written records should be retained including original submissions and all records of applicant contact and decision-making. These records should be retained in the annual CDBG file.

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4. CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

OVERVIEW

This section will deliver a brief, yet detailed summary of the process and requirements tied to the annual performance report required from each jurisdiction that receives funds under a Consolidated Plan program. This yearly report is known by HUD as the "Consolidated Annual Performance and Evaluation Report" or by another commonly used acronym, CAPER.

This report must be submitted to HUD within 90 days of the close date of the grantee's program year. For most jurisdictions (those on a July l-June 30 program year) this will be September 30 of each year.

HUD is required to review the CAPER and may suspend funding if "a satisfactory report is not submitted in a timely manner". There is no statutory review period, and it is not uncommon for HUD to lag on getting review letters out by six months or more.

The regulations specify certain contents in the CAPER but provide grantees with little guidance. Over the years, HUD has provided some guidance on form and content. At this time, the guidance has not found its way into the regulations, nor is it available in a formal guidebook. It is however available on HUD's website www.hud.gov. It has been consolidated and appended to this manual.

Beginning in May 2012, HUD grantees will be able to submit their Consolidated Plan using the Consolidated Plan template in IDIS Online. The Consolidated Plan template will be required for all Consolidated Plans submitted on or after November 15, 2012.

With the incorporation of the Consolidated Plan and Annual Action Plan into IDIS Online, all key elements of the grants management cycle are integrated into a single system. This will ensure consistency among the goals described in the Consolidated Plan and Action Plan and the outcomes tracked in IDIS and reported in the Consolidated Annual Performance and Evaluation Report (CAPER), making the Consolidated Plan a more useful management tool.

- Many of the data tables within the Consolidated Plan template are pre-populated with the most up-to-date housing and economic data available. The data is provided to help grantees develop their funding priorities in the Strategic Plan and save time in searching out, entering and compiling the data

- The Consolidated Plan template is integrated with the CPD Maps tool. Together, the maps and data can help grantees to assess market conditions in many different ways, and to present this information in a clear and compelling fashion.

    - The data that pre-populates tables in the template comes from the CPD Maps database, ensuring consistency between the data grantees use to make planning decisions and data that is available to the public;

    - Grantees can also insert maps and data fables from CPD Maps throughout the document.

CAPER CONTENTS

The CAPER has several sections of requirements:

- General
- Affordable Housing
- CDBG
- Home Investment Partnership Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)

The general and affordable housing sections must be provided by all grantees despite the source of federal funds received. The other sections only apply to recipients of those respective funding sources. This manual will only discuss the CAPER requirements for CDBG grantees:

Although the regulations call for a report "in a form prescribed by HUD", there is no specified form for the CAPER. (The Consolidated Plan Management Process tool does provide an optional form.)

GENERAL

The CAPER must discuss the following:

1. Resources made available in the report year
2. The investment of available resources
3. The geographic distribution and location of investments
4. The persons assisted
5. Actions taken to affirmatively further fair housing
6. Other actions taken by the grantee
7. Affordable Housing
8. Assessment of Three to Five Year Goals and Objectives
9. Continuum of Care (Homeless)

10. Leveraging Resources
11. Citizen Comments
12. Self-Evaluation
13. Performance Measurement

CDBG

Recipients of CDBG must discuss the following in their CAPER:

1. How the activities undertaken and persons/households benefitted related to the priority needs and specific objectives identified in the Consolidated Plan
2. Any changes in program objectives during the report year and future changes that may be made as the result of experiences during the report year
3. Compliance with Consolidated Plan certifications
4. Compliance with National Objectives and overall low- and moderate-income household benefits
5. Anti-displacement efforts (if report year activities involved acquisition, demolition or rehabilitation of real property)
6. Low- and moderate-income jobs (if report year activities involved economic development)
7. Limited clientele benefit activities/beneficiaries
8. Rehabilitation
9. Activities in Neighborhood Revitalization Strategy Areas and Enterprise Zones/Empowerment Communities

CAPER OUTLINE

As stated earlier, there is no specified form for the CAPER. HUD has provided an optional form as part of the Consolidated Plan Management Process (CPMP) tool and has also suggested that the CAPER follow the format of the "CAPER Checklist". It is suggested the grantee utilize the following outline for the CDBG CAPER:

- Introduction
- General Narratives
  - Highlights of Accomplishments
  - Summary of Accomplishments
    - Table: Progress Meeting 3-5 Year Goals
    - Housing Activities
    - Infrastructure and Public Facilities
    - Public Services
    - Planning and Administration
    - Non-CDBG Housing Activities

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- Geographic Distribution of Activities
- Progress Meeting Consolidated Plan Goals and Priority Needs
- Actions Taken to Affirmatively Further Fair Housing
- Affordable Housing
- Continuum of Care
- Other Actions
  - Address Obstacles to Meeting Under-served Needs
  - Foster, Maintain and Eliminate Barriers to Affordable Housing
  - Overcoming Gaps in the Institutional Structure and Enhancing Coordination
  - Public Housing Needs
  - Reduction of Lead-Based Paint Hazards
  - Actions Taken to Assure Compliance
  - Anti-Poverty Strategy
- Leveraging
- Citizen Participation
- Self-Evaluation
- Plan Amendments
- Implementation of Performance Measurement

- CDBG-specific Narratives
  - Priority Needs and Specific Objectives
  - Changes in Program Objectives
  - Compliance with Consolidated Plan Certifications
  - Compliance with National Objectives and Overall Low-Mod Benefit
  - Limited Clientele Benefit
  - Anti-displacement efforts
  - Low-mod Income Jobs
  - Rehabilitation
  - Neighborhood Revitalization Strategy Areas and Enterprise Zones/Empowerment Communities
  - Program Income
- Appendices
  - Evidence of Public Notice
  - Public Comment
  - Evidence of Submission to Governing Body
  - IDIS Reports

THE CAPER AND INFORMATION DISBURSEMENT AND INFORMATION SYSTEM (IDIS)

In addition to providing HUD with a written CAPER submission, grantees must report annual accomplishments on-line via the Integrated Disbursement and Information System, which is commonly referred to as IDIS. Although the statutory deadline of 90 days after the end of the program year does not technically apply to IDIS reporting, HUD has made it clear that reporting

in the Integrated Disbursement and Information System in a timely manner is an obligation of the grantee, including year-end reporting. IDIS will also not allow the reporting of prior year expenditures more than 90 days after the end of the program year.

IDIS reports must be submitted to HUD along with the CAPER narrative report. The required reports are:

All grantees

- Summary of Accomplishments Report (PR23)
- Consolidated Annual Performance and Evaluation Report (PR06)
- Consolidated Plan Projects for Program Year (PR73)

CDBG grantees

- Financial Summary Report (PR26)
- Summary of Activities (PR03)
- Rehabilitation Activities (PR1O)

There are also reports that provide useful information for the CAPER and that should be pulled and retained as part of the CAPER file. These are:

- HUD Grants and Program Income (PRO1)
- List of Activities by Program Year and Project (PR02)
- Grantee Summary Activity Report (PRO8)
- Drawdown Report by Voucher Number (PR07)
- CDBG Timeliness Report (PR56)

HUD also provides CDBG "Data Clean-up" worksheets that are helpful to find out where accomplishment or other essential information is missing. They can be found at http://www.hud.gov/offices/cpd/communitydevelopment/cleanup/index.cfm.

CAPER AND CITIZEN PARTICIPATION [24 CFR 91.105(D)]

The section on Citizen Participation discusses the general requirements in greater detail. The grantee's adopted Citizen Participation Plan will outline the particular process the jurisdiction has decided to follow.

The grantee does need to provide an opportunity for public review of the CAPER and allow for a public comment period of at least l5 days. Any comments received by the grantee must receive a response from the grantee. A summary of the comments and the responses must be submitted with the CAPER.

Grantees are required to hold two public hearings each year. Submitting the CAPER to the City Council and holding a public hearing is a convenient way to meet this requirement.

A GUIDE TO HUD GUIDANCE ON THE CAPER

HUD has issued guidance regarding the CAPER over the years. The most current "set" of materials is always available on their website. It is not always easy to navigate for the novice. It has been assembled and appended to this manual.

The most comprehensive current guidance is a 21-page document posted on the HUD website titled "Guide for Consolidated Plan Performance Report Narratives". In February l998 HUD sent out a formal memorandum, "Consolidated Annual Performance and Evaluation Reporting for Entitlement Grantees for 1997 Program Year". This guidance overlaps the previous guidance. It also requires grantees to use IDIS and specifies the IDIS reports that must be included in the CAPER submitted to HUD.

Additionally, in 2003 the San Francisco CPD Office published a memo (CPD 04-16) that offered guidance on the CAPER based on common problems the field office was encountering.

Then on March 7, 2006, HUD published implementing rules in the Federal Register that required all CAPERs submitted after 10/01/06 to include a discussion of the implementation of performance measures and discuss the program year activities using the performance measurement framework provided by HUD for CPD programs.

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5. SUB-RECIPIENT MANAGEMENT

OVERVIEW

One way of implementing the local CDBG program is through the use of sub-recipients. This section will provide an overview of identifying, selecting, and monitoring a CDBG sub-recipient.

Simply, sub-recipients are sub-grantees of the CDBG grantee. The term sub-recipient has a specific meaning in the CDBG regulations. More specifically, a sub-recipient must be a non-profit public benefit corporation or a public agency. A sub-recipient agreement should be used to pass CDBG requirements to the sub-recipient. The management and oversight of sub-recipients is a critical task of the entitlement jurisdiction. Using a sub-recipient to implement the local CDBG program does not relieve the original grantee of its responsibilities under CDBG and other federal rules and regulations.

REPORTING REQUIREMENTS

The grantee should establish reporting requirements for the sub-recipient throughout the project term. Sub-recipients should be required to submit quarterly progress reports to the grantee jurisdiction reporting on funding activity, milestones reached in accordance with the project schedule, and accomplishments.

It is the sole responsibility of the grantee jurisdiction to conduct any sub-recipient audits or reviews necessary by federal rules and regulations. The entitlement jurisdiction is responsible for the preparation of the Consolidated Plan, annual Action Plan, and Consolidated Annual Performance and Evaluation Report (CAPER) using the information collected through any sub-recipient reporting requirements established.

MONITORING

It is the responsibility of the grantee to monitor sub-recipients for performance and program compliance. To accomplish this, grantees will have to develop and implement a monitoring strategy. Sub-recipients need to be monitored to ensure activities are being carried out in a timely manner, in accordance with federal and other regulations, to ensure productivity, and to ensure that the sub-recipient continues to have the capacity to administer the project or program successfully. Sub-recipients can be monitored through desk reviews or on-site reviews.

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DESK REVIEWS

Desk monitoring is a key component of monitoring a sub-recipient's performance on a regular basis without conducting an on-site review. Desk monitoring includes the review of:

- Progress reports;
- Compliance reports;
- Financial information;
- Information and material submitted from the sub-recipient regarding the funded-grantee.

Desk monitoring is an efficient and effective way to gather additional information regarding any questions, concerns or identified potential problem areas without having to spend staff time with on-site visits. However, on-site visits may be performed because of desk monitoring findings.

ON-SITE REVIEWS

An on-site review allows the jurisdiction to monitor sub-recipient performance and make sure that record retention requirements are being followed. It also allows for the jurisdiction to identify and address areas of concern with property or sub-recipient facilities. On-site monitoring can include the review of:

- Progress reports;
- Labor standards documentation;
- Requests for payments;
- Bid documents;
- Contract agreements;
- Facilities and projects sites; and
- Other project related documentation.

Jurisdictions should also conduct project specific monitoring and should monitor project schedule, accomplishments, and compliance with National Objectives (see Appendix for sample monitoring checklist).

It is recommended that the grantee monitoring schedule allow for all sub-recipients to be monitored once a year. With limited staffing, this is not always possible. In general, sub-recipients who have received funding for the first time should be monitored in the first year. Sub-recipients who have had a history of "clean" monitoring visits and are usually found to be in compliance of the regulations are candidates for less frequent monitoring. Reports and progress should be regularly reviewed throughout the program year for signs of non-compliance or difficulty making progress.

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Sub-recipients who consistently provide complete, well-organized reports, adhere to performance goals and schedules, expend funds in a timely manner and have a history of compliance are can be candidates for desk review.

Sub-recipients who show the following signs of "distress" should be monitored more closely and more frequently:

- Incomplete, incorrect, or late beneficiary reports;
- Incomplete, incorrect, or late disbursement requests; and/or
- Falling short of goals or performance timelines.

Sub-recipients who exhibit these "symptoms" may require immediate intervention:

- Expenditure of funds on other than the approved scope of work;
- Failure or refusal to document Low- and moderate-income household benefit; and/or
- Failure to make progress and/or request funds more than 6 months after award of funds.

TECHNICAL ASSISTANCE/CAPACITY DEVELOPMENT

Monitoring a sub-recipient is an opportunity to identify any concerns or capacity issues. It also provides an opportunity to offer the sub-recipient technical assistance. Technical assistance should be on-going throughout the project term and include various techniques exercised by the grantee.

To assist in limiting inadequate performance of sub-recipients and to help build capacity, it is recommended the grantee implement occasional orientation sessions and/or application workshops. This type of technical assistance is typically held at the beginning of a funding cycle.

A grantee jurisdiction may want to provide technical assistance on a more one-on-one basis rather than in a workshop setting aimed at a larger audience. Meeting with a sub-recipient individually can provide the opportunity for the entitlement jurisdiction to work with the sub-recipient on specific weaknesses or to improve performance regarding a particular project underway. It is common for jurisdictions to utilizes staff time efficiently and provide such technical assistance in conjunction with a monitoring visit.

MANAGING NON-PERFORMING SUB-RECIPIENTS

When performance problems arise with sub-recipients, it is the responsibility of the grantee to take corrective action. The type and degree of the corrective action will vary with the extent of the problem. It is recommended that any corrective action be measured, incremental,

documents and with the goal of guiding the sub-recipient back into compliance. Corrective actions a grantee jurisdiction may consider include:

- A letter advising the recipient of deficiencies or performance issues requiring them to correct any unresolved issues;
- Provide technical assistance or training to assist in resolving issues;
- Implement more reporting requirements the sub-recipient must meet;
- Conduct more frequent monitoring visits;
- Restrict payment requests;
- Disallow specific expenses; and/or
- Implement a probationary status.

More serious corrective actions that could be implemented as a result of unresolved issues or continuous poor performance include:

- Suspending the sub-recipient from participation in the program;
- Terminating the sub-recipient agreement or re-capturing funds; and/or
- Legal action if necessary.

FORMS

Standard forms may be required by the grantee from the sub-recipient to ensure compliance with HUD requirements. The grantee can create their own forms for application, payment, and reporting purposes. Grantees should always have a sub-recipient agreement or contract as a standard form to be signed by both parties. However, if a sub-recipient agreement or contract is in effect, this does not relieve the grantee from complying with HUD requirements and ensuring that the sub-recipient also stays in compliance. Other standard forms that may be provided to the sub-recipient to submit to the grantee include:

- Application forms;
- Requests for Payments;
- Progress Report forms;
- Monitoring forms; and
- Project close-out forms.

RESOURCES

HUD has published several useful guidebooks on sub-recipient management. These are available on the web at http://www.hud.gov/offices/cpd/communitydevelopment/library/subrecipient/.

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They are the following:

- "Managing CDBG: A Guidebook for Grantees on Sub-Recipient Oversight"
- "Playing by the Rules: A Handbook for CDBG Sub-recipients on Administrative Systems"
- "Training CDBG Sub-recipients in Administrative Systems"

The "Playing by the Rules" hand book is particularly useful. Sections of the book and the entire publication are often given to sub-recipients.

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6. PERFORMANCE MEASURES

OVERVIEW

This section of the manual will provide a summary of the grantee's requirements to implement a local performance measurement system. This system should serve as a tool to allow the grantee to collect data, track progress, and report on results in a way that demonstrates the impact of the CDBG program on the community. The performance measurement system should provide the grantee with specific beneficiary data and help to determine how well a program is performing in the community and if the program is meeting proposed goals.

The implementation of the outcome performance measurement system and its use by grantees will enable HUD to collect information on the outcomes of activities funded with Community and Planning Development formula grant assistance. This data will be entered into the Integrated Disbursement and Information System (IDIS) and will be aggregated at the national level to provide HUD with the information necessary to show the national results and benefits of the expenditure of federal CDBG funds.

HUD has issued guidance on the required components of a local performance measurement system with the goal of providing standardized performance data to the federal government. HUD's performance measurement web page is at http://www.hud.gov/offices/cpd/about/performance/.

The three components of a performance measurement system are

1. Objectives;
2. Outcomes; and
3. Indicators.

OBJECTIVES

Objectives are based on the statutory objectives for the CDBG program. Objectives are broad categories to capture the range of community impact an activity, program or project might have.

CREATING A SUITABLE LIVING ENVIRONMENT

This objective is designed for activities that will benefit communities, families, and individuals by addressing issues within their living environment. This objective relates to a wide range of issues faced by low-and-moderate income persons from poor infrastructure to social issues.

PROVIDING DECENT HOUSING

This objective covers a wide range of housing activities meant to meet individual family or community housing needs.

CREATING ECONOMIC OPPORTUNITIES

This objective is designed for activities that will assist with economic development opportunities, commercial revitalization, or job creation.

OUTCOMES

The outcome component helps to further refine the objective the grantee chose for the activity and is designed to identify the expected result of the objective. Outcomes assist in describing the expected impact of the activity on the community.

AVAILABILITY/ACCESSIBI LITY

This outcome will be chosen for activities that will make services, infrastructure, public facilities, housing, or shelter available or accessible to low-and-moderate income persons.

AFFORDABILITY

This outcome applies to activities that will provide for affordability in a variety of ways to low-and-moderate-income persons. Activities under this outcome could include the creation or maintenance of affordable housing, infrastructure hook-ups, or specific services that are to be affordable such as transportation.

SUSTAINABILITY

Activities falling under this outcome have the purpose of improving communities or neighborhoods, and assisting in making them livable by providing benefit to persons of low- and moderate-income, removing slum and blight and sustaining communities and neighborhoods.

INDICATORS

Once the grantee has established program objectives and intended results (outcomes), the grantee will establish a means of measuring progress towards achieving those results. Indicators are already determined by HUD and inputted into the Integrated Disbursement and Information

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System (IDIS). Grantees are required to report on indicators that are applicable to the specific activity being carried out.

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7. ELIGIBLE ACTIVITIES

OVERVIEW

This section will discuss the most commonly-undertaken activities and some of the common issues with each. Like previous sections of the manual, this one is not intended to act an exhaustive review of or sole resource for eligible activities.

There are six broad categories of eligible activities:

1. “Basic eligible activities" (570.201)
2. "Rehabilitation and Preservation" (570.202)
3. "Special Economic Development" (570.203)
4. "Special Community Based Development Organizations (CBDO)" (570.204)
5. "Planning, design, and capacity-building" (570.205)
6. "Program Administration" (570.206)

    a. "Basic eligible activities" include:

- acquisition of real property
- disposition of real property
- public facilities and improvements
- clearance and remediation
- public services
- interim assistance
- payment of non-federal share
- urban renewal completion
- relocation and relocation assistance
- housing services
- privately-owned utilities
- construction of housing
- home ownership
- economic development
- technical assistance
- assistance to institutions of higher learning

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b. "Rehabilitation and Preservation" includes:

- rehabilitation of residential structures
- rehabilitation of public housing
- rehabilitation of commercial or industrial structures
- code enforcement
- historic preservation
- renovation and re-use of closed buildings
- lead-based paint activities

c. "Special Economic Development" includes:

- acquisition, construction of or improvements to structures and real property
- business assistance
- economic development services

d. "Special Community Based Development Organizations (CBDO)" includes:

- Neighborhood revitalization project
- Economic development project
- Energy conservation project
- Directly carries out project activity funded by CDBG

e. "Planning, design and capacity-building" includes:

- Planning activities
- Policy management
- Markel studies
- Strategies and action plans
- Analysis of Impediments to Fair Housing Choice

f. "Program Administration" includes:

- Salaries, wages and other costs of staff
- Travel costs
- Third party administration costs
- Goods and services

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PUBLIC FACILITIES AND IMPROVEMENTS [570.20L(C)]

In general, public facilities or improvements may be acquired, constructed, installed or rehabilitated.

The grantee or any public, private or non-profit entity may undertake the activity.

Public facilities for the general conduct of government may not be assisted [570,207(a)]. The one exception is the "removal of architectural barriers" to the elderly and severely disabled persons. There has been a great deal of contusion and misunderstanding about this exception. It you are thinking about doing this, consult the Desk Guide and your HUD rep.

The construction of "facilities" that serve to shelter or house persons with special needs are not subject to the prohibition on constructing new housing with CDBG. This includes those that serve the homeless, seniors, the disabled, victims of domestic violence, addicts and alcoholics, drug offenders and parolees, "retarded" persons and victims of federally-declared disasters.

When a facility has both ineligible and eligible uses, there are special rules that apply to assistance [570.200(b)]. The eligible use area or component must be "separate and distinct" and the cost of assistance attributable to that area or component can be clearly determined. The CDBG share of costs must be limited to the costs attributed to the eligible use.

Fees for the use of facilities assisted with CDBG may be changed but they may not have the effect of restricting low- and moderate-income persons from using or accessing the entire facility. They must be nominal or waived for low- and moderate-income persons.

PUBLIC SERVICES [570.20L(E)]

Public services are broadly defined in the regulations. Generally, the direct costs of providing a service are eligible including the costs of labor, supplies and materials. The purchase of equipment is generally ineligible and problematic when it can be made eligible. Indirect costs can be allowed but they must comply with federal rules for cost allocation [Office of Management and Budget (OMB) circular 110].

Public services include (but are not limited to) those concerned with:

- Employment;
- Crime prevention;
- Child care;
- Health;
- Drug abuse prevention and treatment;
- Education;

- Fair housing counseling (general fair housing education is **not** a public service);
- Welfare (excluding income payments);
- Home buyer down payment assistance; and
- Recreation.

The beneficiaries of public services may "attest" or "self-certify" as to low- and moderate-income status.

HOUSING

The HUD regulations allow entitlement jurisdictions to allocate CDBG funds toward privately owned single-family residences. More specifically, grantees can develop first-time homebuyer assistance products for low- and moderate-income families and can create single-family rehabilitation programs to assist privately owned residences address emergency needs.

HOUSING SERVICES

HOME PURCHASE ASSISTANCE

There are several ways that CDBG can be used to assist home ownership as a housing activity. 570.201(n)

- Direct down-payment assistance (up to 50% of required down-payment);
- Payment of reasonable non-recurring closing costs;
- Principal write-down;
- Interest buy-down; and
- Mortgage guarantees and mortgage insurance (PMI, FHA, or VA).

Home purchase can also be undertaken as a public service under 570.201(e) or by a Community Based Development Organization. Done this way, there are far fewer limitations on the use of funds. However, the 15% cap on public services would apply.

It can also be done within a Neighborhood Revitalization Strategic Area (NRSA). See the section on NRSAs for more detail on forming a NRSA. A few of the issues are:

- A Community Based Development Organization providing homeownership assistance within an NRSA under 570.201(e) is exempt from the public services cap.
- Non-low- and moderate-income households may be assisted since the low- and moderate-income test is met on an area basis within the NRSA.

When determining eligibility, the income of the entire household is examined. Income eligibility must be documented using third party verification.

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SINGLE FAMILY OWNER-OCCUPIED HOUSING REHABILITATION 570.202

The rehabilitation of owner-occupied single-family homes is one of the most commonly-funded CDBG activities. CDBG allows a variety of approaches to program design and type of assistance. Programs can be focused on single issues (e.g., roof repair, heating, weatherization) or be comprehensive. Assistance can be in the form of grants or loans and there is no long-term affordability requirement.

Eligible costs are generally the labor and materials to complete the work. Related "delivery costs" are also eligible. These are the costs to provide assistance to the home owner. These include but are not limited to:

- Energy audits;
- Inspections to determine scope of work;
- Appraisal;
- Title and recording;
- Loan or grant document preparation;
- Work specifications;
- Bidding;
- Construction management; and
- Assistance to the homeowner.

If acquisition is being done along with rehabilitation, the costs of acquisition are also eligible. Eligible work includes:

- Repair of deferred maintenance;
- Repair or replacements of major systems;
- Weatherization;
- Installation of safety and security equipment (such as deadbolt locks, smoke detectors, fire escape ladders [burglar alarms are not generally considered to be eligible]);
- Abatement of asbestos hazards;
- Addressing lead-based paint hazards;
- Insulation and energy efficiency including solar energy equipment;
- Water conservation equipment and devices;
- Connection to municipal water supply or sewer systems; and
- Accessibility.

In general, the costs of general property improvements should be limited to those made necessary by other work and limited in overall scope. For example, painting would be funded only if repairs were being made to the exterior or if required to protect the exterior.

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The grade of finishes should be the most basic possible while still assuring durability. The occupants of the household should be considered when making this determination. For example, vinyl flooring and wainscoting in the traffic areas would be reasonable for a wheelchair user. The cost of "luxury" finishes can be considered reasonable and eligible when replacing a portion with a similar grade would be less than replacing the entire finish with a lesser grade or in the interest of historic preservation.

Equipment, furnishings and appliances are not eligible unless they are integral to the structure and meet a basic need. Stoves, ovens, cook tops, disposers, dishwashers, refrigerators and built-in microwaves are eligible. "Portable" items such as clothes washers, dryers, televisions, space heaters are not eligible. "Luxury" items such as trash compactors and water softeners, and freezers are not eligible. In general, the most basic grade and smallest adequate capacity should be specified.

Enlargement of living spaces other than to address over-crowding is also not generally eligible. Second units may not be constructed or rehabilitated.

The repair or construction of accessory structures is not generally considered to be eligible. Two common exceptions are structures and improvements related to accessibility improvements for the elderly and severely disabled.

There are many considerations when designing a housing rehab program. While the scope is beyond this document, there are a number of good references available. The use of lump sum draw- downs, revolving loan funds and escrow accounts are key financial tools to understand when creating a housing rehabilitation program. See the Financial Management section for more information.

When determining eligibility for single-family rehabilitation, the income of the entire household is examined. Income eligibility must be documented using third party verification.

Accomplishments for single-family rehabilitation are reported in housing units assisted.

CODE ENFORCEMENT [570.202(C)]

The CDBG program considers code enforcement to be a "rehabilitation and preservation" activity. Code Enforcement programs funded with CDBG funds is intended to arrest the decline of primarily residential areas which have been deemed deteriorated of deteriorating. CDBG-funded code enforcement activities are designed to enforce the Municipal Code, California Fire Code, Los Angeles County Health and Safety Code, California Building Code, and Uniform Housing Code through inspections for code violations and enforcement of the codes.

The following examples of violations that reflect deteriorated of deteriorating conditions:

- Overgrown vegetation;
- Dead, decayed, diseased or hazardous trees;
- Weeds or vegetation that may harbor rats or vermin and may be fire hazard;
- Abandoned, wrecked, dismantled or imperative vehicles;
- Illegal storage or storage for an unreasonable period of time;
- Keeping animals, reptiles or insects that pose a threat, disturbance danger or menace to person or property;
- Attractive nuisances including unprotected and/or hazardous pools, ponds, refrigerators or excavations;
- Garbage or trash can or containers that cause offensive odors or visible blight;
- Overflow of sewage or grease from clogged sewer lines;
- Maintenance of premises in such manner as to constitute a danger to public health;
- Structures or buildings with unpermitted construction and/or are unsafe, constitute a fire hazard, or have faulty weather protection;
- Structures or buildings that have not been completed within a reasonable period of time, that are unoccupied and unsecured or are marked or defaced with spray paint or dye;
- Illegal signs;
- Fences or walls which violate zoning regulations;
- Maintenance or establishes a prevalence of depreciated values; and
- Allowing an unlawful condition or activity to exist in a structure.

A neighborhood area is deemed to be deteriorating if it is in a low- or moderate-income census tract block group and 50% or more of housing units are built prior to 1960 or ten (10) to 25 percent of residential properties exhibit conditions of deterioration. In accordance with 24 CFR 570 Part 208(b)(1)(ii)(A), an area is deemed deteriorated, and eligible to qualify under slum and blight when outside of a low- and moderate-income area, if at least 25 percent of residential properties in the area experience one or more of the conditions which define deteriorated or deteriorating based on local standards. To address issues related to housing units that share common areas which may exhibit conditions of deterioration, a property is defines as a residential parcel of land which may include one or more housing units. The City is reasonable for delineating an area deemed to be deteriorated or deteriorating under State or local law and the City is responsible for maintaining documentation on the boundaries of the area and the conditions which qualified the area at the time of it designation [24 CFR 570 Part 208(b)(1)].

CDBG-funded code enforcement activities must not only be restricted to primarily residential areas deemed to be deteriorated or deteriorating but operated in areas where code enforcement along with improvements to the area, such as those provided through a housing rehabilitation program, may be expected to arrest the decline of the area [24 CFR 570 Part 570.202(c)]. Furthermore, these activities must also meet a National Objective, such as an activity benefiting low- and moderate-income persons and the benefits of the program are available to all the residents in the area [24 CFR 570 Part 208(a)(1)(i)], or in designated slum or blight areas.

Areas designated as slum and blight areas as defined in these guidelines are also eligible under the CDBG Slum and Bright National Objective. City's will re-assess the areas within the City every five years, in correspondence with the completion of the Consolidated Plan to again identify census tracts and block groups delineated as deteriorated and deteriorating. At that time City's will also assess these areas to identify the degree to which programs like the City's HOME funded housing rehabilitation program has served to arrest the decline in these areas as a result of deteriorated or deteriorating conditions.

SERVICE AREA

The CDBG funded Code Enforcement Program provides for code enforcement services in the City's primarily low- and moderate-income neighborhoods that are residential and deemed to be deteriorating and deteriorated. Any excluded areas that are not deemed to be deteriorated or deteriorating are identified in a table by census tract/block group and by low/moderate percentage identifying eligible areas under the Low-Mod Income National Objective. Therefore, the beneficiaries of the Program are the City's primarily low- and moderate-income residents who reside in the census tract/block groups.

MARKETING AND OUTREACH

Code enforcement activities are predominantly conducted as a complaint-based code enforcement program. Code enforcement officers are regularly working in the City's low- and moderate-income and slum and blighted neighborhoods that are deemed to be deteriorating or deteriorated to ensure that the City's applicable codes as they related to primarily residential areas are under compliance.

CLIENT TRACKING AND CODE COMPLIANCE PROCESS

The program beneficiaries are the residents within the defined code enforcement service area. However, the performance measure for this Program is the number of properties served and violation abated by the CDBG-funded code enforcement activities.

Below is a summary of the code compliance process for all cases:

1. Initial Complaint (Initiated by City resident property owner or City Staff)
   A case is opened and the report violation(s) is documents in the Code Enforcement database when a complaint is received via telephone, email, or at the public counter.

2. First Inspection (Inspect and verify violation field inspection)
   Seek voluntary compliance with property-owner within established time frame through an issued written notice. Minor violations may warrant only a verbal notice, while some more serious violation may result in the issuance of a citation instead of a warning notice.

3. Re-Inspection
   If Compliance is not achieved, a second notice is issued. If no effort to abate the violations have been made or a time frame for compliance has not been established with the code enforcement officer, a re-inspection fee will be issued for cost recovery or citation may be issued.

4. Public Hearing
   In extreme cases, the Code Enforcement Manager will review the case to determine if it should be heard by City Council at a public hearing. A formal order to abate the violation will be presented to the property owner.

5. City Prosecutor
   If compliance is not achieved, the case may be forwarded to the City Prosecutor upon referral by the Code Enforcement Manager. In extreme cases compliance is sought through an office conference with the property owner. If compliance is not achieved, the City Prosecutor will prosecute the case or file for Receivership.

COMMON VIOLATIONS

The most common violations that are addressed through the Code Enforcement Program include:

- Overgrown vegetation (MC)
- Weeds (MC)
- Trash cans in public view (MC)
- Unpermitted vegetation in parkway (MC)
- Lack of live landscaping (MC)
- Imperative vehicle (MC)
- Trash and debris (MC)
- Temporary/Non-fire-retardant canopy structures (MC)
- Garage conversion (Unpermitted use) (MC)
- Outdoor storage in public view (MC)
- Excessive pavement (MC)
- Illegal construction (MC)
- Cloths drying in public view (MC)
- Unpermitted fencing material (MC)
- Faulty weather protection – (Weathered and peeling paint, missing screens, broken windows, miss vent covers, leaking roof, gaps around doors, etc.) (MC)
- Lack of address display (MC)
- Obstructing access to off-street parking (MC)
- Fences in disrepair (MC)
- Vehicles parked on unpaved surfaces (MC)

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- Holiday lighting in excess of 90 days (MC)

ELIGIBLE CDBG PROGRAM COSTS

Code Enforcement personnel charge time to the CDBG Program for activity tied to eligible low- and moderate-income or slum and blight primarily residential neighborhoods that are deteriorated or deteriorating within the City. Code Enforcement activities conducted outside these eligible areas cannot be charged to CDBG.

FAIR HOUSING

Fair housing is one of the few activities that can be categorized as either a public service [570.2019(e)] or conducted as an eligible planning and administration activity [570.207]. There are several reasons a grantee should choose one over the other.

Because fair housing can be administration or public service, it can "fit" under either annual obligations "cap". It can also be split across the two caps.

There are also certain fair housing activities that clearly benefit low- and moderate-income persons such as advising persons of their fair housing rights or counseling them to resolve a fair housing dispute and others that fall more into the grantee meeting its general obligation to further fair housing (e.g., publications, surveys, analysis of impediments).

When conducting fair housing as a public service, the grantee should be thinking of how the level of low- and moderate-income benefit will be determined and the potential impact of the fair housing activity' s impact on the overall low- and moderate-income benefit. If it is not clear how low- and moderate-income persons will benefit it may be best to undertake the activity under planning and admin.

HOMELESS

The homeless may be served several ways using CDBG:

- Services that benefit the homeless
- Services that serve to prevent homelessness
- Construction of shelters
- Operation of shelters
- Construction of housing for the homeless (by a Community Based Development Organization)

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Cases of services that benefit the homeless or prevent homelessness, or the operational costs of a shelter, fall under public services and under the 15% allocation cap. Homeless persons are a "presumed benefit" population. If the person attests to being homeless, the LMI test is met.

Construction of shelters or the conversion of existing non-residential structures to shelters is eligible under public facilities 570.201(c) as are transitional housing facilities,

Conversion of existing residential structures into shelter or transitional housing is eligible under rehabilitation.

The construction of new permanent supporting housing (not conversion of existing) is eligible as a Community Based Development Organization activity.

PROGRAM ADMINISTRATION [570.206]

CDBG allows for the entitlement grant to pay for the reasonable administrative costs associated with the planning and implementation of CDBG-funded activities and the overall local CDBG program. This includes reporting, compliance, monitoring, record-keeping, accounting, and annual planning.

Costs associated directly with carrying out eligible activities are eligible under those activity categories.

The costs of program administration include but are not limited to:

- Salaries, wages, and related costs;
- Travel;
- Third-party services;
- Equipment and overhead:
- Public information, public notice, publication;
- Fair housing;
- Indirect costs;
- Preparation of the annual CDBG submission;
- Preparation of other applications for federal funds; and
- Program management costs associated with a federally-designated Empowerment Zone or Enterprise Zone or with the federal HOME Investment Partnership Program.

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PLANNING/CAPACITY BUILDING [570.205]

Although program administration (570.206) and planning/capacity building (570.205) are both under the "planning and administration" cap, they are distinct in the regulations. The difference is academic.

Eligible costs are those associated with:

- Data gathering;
- Studies;
- Analysis;
- Preparations of plans; and
- Identification of actions to implement plans

Eligible planning activities include, but are not limited to:

- Housing needs;
- Land use and design;
- Economic development;
- Parks;
- Floodplain and wetlands management;
- Environmental studies (not associated with a CDBG-funded project); and
- Analysis of impediments to fair housing choice.

Please note these activities are not required to meet a National Objective but should further the CDBG program goals.

A NOTE ABOUT PRESUMPTION AND OVERALL LOW- AND MODERATE-INCOME (LMI) BENEFIT.

It is certainly acceptable to have every beneficiary of a presumed benefit activity self-certify as to membership in that class. It is also acceptable to have every beneficiary of an LM-LC activity self-certify that their income is below a certain level. The danger is that you as the grantee will not have an accurate picture of overall LMI benefit if you do not collect income data. You will not have an accurate picture of the population you are actually benefitting.

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8. MEETING A NATIONAL OBJECTIVE

OVERVIEW

This section of the manual will provide staff with a more in-depth understanding of the three CDBG National Objectives as determined by HUD. As mentioned earlier in the manual. there are specific criteria that must be met in order for the activity to be eligible for CDBG funding including benefiting low- and moderate-income persons, preventing or eliminating blight, or addressing urgent needs. An activity that fails to meet the criteria set forth in 24 570.209 of the Code of Federal Regulations (CFRs) will be in non-compliance with CDBG rules.

LOW-AND-MODERATE INCOME BENEFIT [570.209(A)]

To meet the low- and moderate-income national objective the activity to be undertaken must benefit persons that are at or below 80% of the area medium income (AMI) for the area where the activity is taking place. The area median income is calculated and determined by HUD and available on the HUD website (www.hud.gov). An activity can qualify under this national objective as a direct benefit or as a benefit on an area basis. As a direct benefit, the activity will directly benefit a low- and moderate-income person, such as a housing rehabilitation activity. Benefit on an area basis or low- and moderate-area (LMA) benefit. refers to activities that will benefit all persons in that area and not just low- and moderate- income persons. In cases such as these, the targeted area where the activity will take place must include at least 51% low- and moderate-income persons. An example of an activity qualifying under the low- and moderate- area benefit would be infrastructure activities such as water/sewer lines.

LOW- AND MODERATE-AREA [570.209 (A)(1)]

The low- and moderate-area (LMA) objective is designed for activities undertaken in a primarily residential area that will benefit all residents and not just low- and moderate-income persons.

TARGET AREA

The target area is defined as the service area proposed where the activity will take place. The service area must be the entire area served by the activity and cannot be defined only by a particular low-and-moderate income portion that is part of the target area. For example, if the activity is a grocery store, the target area must include all residents that will benefit from that grocery store and not just low-and-moderate income residents.

QUALIFYING THE TARGET AREA

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Low- and moderate-area benefit of a specific service area must meet the criteria of qualifying as at least 51% low- and moderate-income households. A grantee may use HUD census data providing low- and moderate -income percentage information for each census tract and block group within the jurisdiction to determine if the service area qualifies. Often, a service area may not be coterminous with the census tracts or block groups defined by HUD. In this case the grantee can conduct a survey of the determined service area to confirm that the area is 51% low- and moderate income.

UPPER QUARTILE

In some instances, HUD will make an exception to a low- and moderate-area activity having to meet the criteria of having at least 51% low- and moderate-income persons within the determined service area. If the degree of concentration of low- and moderate-income persons within the service area is considered the highest quartile of low- and moderate-income persons of all areas within the community, there may be an exception to qualifying the activity under the 51% criteria. HUD will determine the lowest proportion a grantee may use to qualify an area based on the upper quartile exception.

LIMITED CLIENTELE [570.209(A)(2)]

Limited clientele activities are designed to benefit particular groups of people within the proposed service area rather than everyone. Limited clientele activities still must meet the 51% low- and moderate-income criteria. To meet the limited clientele objective one of the following tests must be met:

- Benefit clientele who are presumed by HUD to be low- and moderate-income persons including:
    - Abused children;
    - Elderly persons;
    - Battered spouses;
    - Homeless persons;
    - Severely disables adults;
    - Illiterate adults;
    - Persons with AIDS; and
    - Migrant farm workers.

- Require information on family size and income to evidence that at least 51% of the clientele are low- and moderate-income;

- Have the activity be of a nature and location that it can reasonably be presumed that the beneficiaries are low- and moderate-income; or

- Be an activity that will remove architectural or material obstacles to improve accessibility for the elderly or severely disabled as determine by HUD.

LOW- AND MODERATE-INCOME HOUSING

The low- and moderate-income housing objective is designed to ensure that an activity assisting in the acquisition, construction, or improvement of permanent residential housing benefits low- and moderate-income persons directly. To qualify under this objective the activity must result in housing that is occupied by low- and moderate-income persons. The housing can be owner occupied or renter occupied can be single family housing or multi-family housing. Rental housing must be occupied at affordable rents. Occupancy qualifying criteria includes:

- Single unit structures must be occupied by low- and moderate-income persons;
- Two-unit structures must have at least one occupant that is low- and moderate-income; and
- More than two units must have at least 51% of the units occupied by low- and moderate-income persons.

LOW- AND MODERATE-INCOME JOBS

This objective is meant to assist with economic development activities that intend to create or retain permanent jobs of which at least 51% are held by or available to low- and moderate-income persons.

ELIMINATION OF SLUM AND BLIGHT

This National Objectives include activities which help to prevent or eliminate slums or blighted conditions. These activities must meet the criteria of one of the three following categories:

- Prevent or eliminate slum and blight on an area basis;
- Prevent or eliminate slum and blight on a spot basis; or
- Be in an urban renewal area.

URGENT NEED

Use of this National Objective is rare. It is designed only for activities that alleviate emergency conditions. Urgent need activities must meet the following qualifying criteria:

- The existing conditions must pose a serious and immediate threat to the health or welfare of the community;

- The existing conditions are of recent origin or recently became urgent (generally within the last 18 months);
- The recipient is unable to finance the activity in its own; and
- Other sources of funding are not available.

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9. FINANCIAL MANAGEMENT – COST ACCOUNTING / FINANCE

OVERVIEW

This section will cover the financial responsibilities of a grantee when funds are requested, money is committed, and drawdowns occur. It is important for entitlement jurisdiction staff to understand the process and regulations tied to the CDBG program even after they are committed to a specific activity or project through a contract or agreement.

POLICIES REGARDING CASH MANAGEMENT

All payments under City of Montebello's Federal programs will be on a reimbursement basis, AFTER costs have been incurred. No cash advances will be allowed. Reimbursements will not exceed actual cash outlays

All payments to subrecipients and for in-house activities will be monitored for compliance with federal regulations and applicable OMB circulars. Prior to payment, subrecipient requests for program funds shall be properly evaluated. The following will be monitored:

a. Bi-weekly employee timesheets
b. Payroll records
c. Cost per capita served
d. Portion of clientele served that is low-income
e. Eligibility of activity
f. Allowable costs
g. Non-Federal funds leveraged (if applicable)
h. Proper allocation of costs to City of Montebello

Drawdown of federal funds through federal reporting system is subject to review and approval by Finance staff. Variances between expected and actual cash disbursements of federal awards and drawdowns of federal funds are reported to an appropriate level of management.

Since federal funds will only be provided on a reimbursement basis, it is anticipated that no interest earnings will accrue to the City or to subrecipients. In the unlikely event interest earnings on federal funds are accrued, they must be paid back to that federal department.

Program income funds will be generated primarily by housing rehab loan repayments and occasionally, housing development activities. Program income received by the City must be deducted from reimbursement requests before drawing down entitlement grant funds.

The federal financial reporting system is capable of scheduling payments for accounts payable and requests for funds from Treasury that enables the City to avoid a time lapse between draw down of funds

and the actual disbursement of funds. Montebello's accounting program, shall be reconciled by the following steps:

1) Invoices are received by Finance Department via email, mail, etc.
2) Twice per month, invoices are coded by purchase order accounting number (account waiting for the money so accounts payable will know where to take it from), where money has been allocated to those activities; codes by stamping invoice with stamp that includes: vendor number, PO # dollar; after filling out info on stamp, it goes to finance;
3) At the end of the month all expenditures are totaled and drawdowns for the particular activities are reported to the Government agency; Finance Analyst reviews drawdowns for accuracy and compiles data in a spreadsheet
4) Senior Management Analyst inputs drawdowns into IDIS
5) The Director of Finance (or Designee) approves vouchers in federal system

Staff will carry out periodic independent evaluation (e.g., by internal audit, top management) of entity cash management, budget and actual results, repayments of excess interest earnings, and federal drawdown.

PROCEDURES FOR REFLECTING PRIOR PERIOD ADJUSTMENTS AND ACCRUALS

In preparation of the CAPER, City staff review the following reports:

- PR09- Program Income Details by Fiscal Year and Program (report generated by IDIS)
- PR26- CDBG Financial Summary Report (report generated by IDIS)
- Analysis of CDBC Funds- City of City of Montebello Sources & Uses of Funds spreadsheet (report generated by the City's Consultant)

Director of Finance or Designee reconciles discrepancies between the IDIS reports and the City's Budget and makes the necessary adjustments in the PR26 report. These adjustments are explained as Notes to the PR26, which is included as an appendix to the CAPER.

POLICY REGARDING REBATES, REFUNDS AND CREDITS TO FEDERALLY FUNDED PROGRAMS

All rebates, refunds, and credits to HUD CPD programs will be properly reported. Bid bond forfeiture funds that are not offset by additional costs to select another bidder will be credited to HUD CPD programs at their pro-rata share.

PROCEDURES FOR EVALUATING TRAVEL AND TRAINING COSTS CHARGED TO THE CDBG PROGRAM

All travel and training expenses charged to the HUD programs must be approved by the Planning & Community Development Manager or a Department Director. Prior to approval, travel and training expenses are evaluated based on the following criteria:

- Compliance with 2 CFR 200.472

- Applicability/relevance to CDBG/HOME program goals and objectives
- Eligibility under Federal programs
- Within the allocated budget for that program

PROCEDURES FOR ALLOCATING AND DOCUMENTING PERSONNEL COSTS CHARGED TO CDBG ADMIN ACCOUNT

1. Personnel costs charged to HUD programs will follow Section 200.430, of 2 CFR 200. Prior to the beginning of the fiscal year, City of Montebello Staff and the Community Development Director will evaluate available funding as well as the Admin workload, scope of work and staffing assignments. This evaluation will produce an estimate of staffing needed including percent allocation of each Admin staff member's time dedicated to HUD Programs. These allocation factors will be noted on the employee's action form and transmittal to the City Payroll Department for the affected employee. Compensation (including salary and benefits, if eligible) will be allocated accordingly to the Admin account.
2. All employees whose compensation is charged to Admin will maintain bi- weekly timecards documenting the number of hours charged to various programs. Time cards will represent an after-the-fact distribution of the actual activity of each employee and will account for the total activity for which the employee is compensated. Time cards will be signed by the employee and approved by their Supervisor.
3. Admin staff will conduct a quarterly reconciliation to confirm that employee time cards are consistent with actual time charged to HUD-funded programs. If inconsistencies are found, the costs charges to HUD-funded programs will be adjusted.

PROCEDURES FOR ALLOCATING AND DOCUMENTING PERSONNEL COSTS CHARGED TO CDBG REHAB ACCOUNT

1. Personnel costs charged to the Housing Rehab program will follow Section 200.430, of 2 CFR 200 (including CFDA 14.218 Part lll)
2. Prior to the beginning of the fiscal year, City of Montebello staff and the Community Development Director will evaluate available funding as well as the Rehab work loan, scope of work and staffing assignments. This evaluation will produce an estimate of staffing needed including percent allocation of each Rehab staff member's time dedicated to Rehab. These allocation factors will be noted on the employee's action form and transmittal to the City Payroll Department for the affected employee. Compensation (including salary and benefits) will be allocated accordingly to the Rehab account.
3. All employees whose compensation is charged to Rehab will maintain bi-weekly timecards documenting the number of hours charged to various programs. Time cards will represent an after-the-fact distribution of the actual activity of each employee and will account for the total activity for which the employee is compensated. Time cards will be signed by the employee and approved by their Supervisor.

4. Rehab staff will conduct a quarterly reconciliation to confirm that employee time cards are consistent with actual time charged to Rehab programs. If inconsistencies are found, the costs charged to HUD-Rehab programs will be adjusted.

PROCEDURES FOR ALLOCATING AND DOCUMENTING PERSONNEL COSTS CHARGED TO CDBG MICROENTERPRISE ACTIVITIES (18-305-300)

1. Personnel costs charged to the CDBG Microenterprise program will follow Section 200.430, of 2 CFR 200 (including CFDA 14.218 Part Ill)
2. Prior to the beginning of the fiscal year, City of City of Montebello Community Development staff and the Community Development Director will evaluate available funding as well as the CDBG Microenterprise work load, scope of work and staffing assignments. This evaluation will produce an estimate of staffing needed including percent allocation of each CDBG Microenterprise staff member's time dedicated to CDBG Microenterprise. These allocation factors will be noted on the employee's action form and transmittal to the City Payroll Department for the affected employee. Compensation (including salary and benefits) will be allocated accordingly to the CDBG Microenterprise account.
3. All employees whose compensation is charged to CDBG Microenterprise will maintain bi-weekly timecards documenting the number of hours charged to various programs. Time cards will represent an after-the-fact distribution of the actual activity of each employee and will account for the total activity for which the employee is compensated. Time cards will be signed by the employee and approved by their Supervisor.
4. CDBG Microenterprise staff will conduct a quarterly reconciliation to confirm that employee time cards are consistent with actual time charged to CDBG Microenterprise programs. If inconsistencies are found, the costs charged to CDBG-microenterprise programs will be adjusted.

PROCEDURES FOR DETERMINING COST REASONABLENESS

The City's annual allocation process includes an analysis of the reasonableness of costs charged by subrecipients to the City's CPD Programs. This analysis includes an evaluation of whether costs associated with a proposed service are in accordance with OMB Circular A-122. Every activity considered by CDBG or HOME funding is evaluated by a variety of criteria, including:

- Cost per capita served
- Portion of clientele to be served that is low-income or presumed benefit
- Eligibility of proposed activity
- Allowability of costs associated with proposed activity
- Timeliness of expenditures in prior year(s)
- Severity of need for proposed service

- Number of City of Montebello residents to be served
- Accessibility of service to be provided to City of Montebello residents, particularly for services offered outside of City of Montebello
- Duplication/uniqueness of service
- Non-HUD funds leveraged

Costs for training and travel are evaluated on a case-by-case basis and consideration of their eligibility, applicability and reasonableness is made before they are charged to the CDBG program. CDBG Admin staff must approve all training and travel costs charged to the CDBG program.

Activities are determined eligible and reasonable for CDBG/HOME funding if all the criteria identified above are satisfied.

PROCESS FOR APPROVAL OF SUBRECIPIENT REIMBURSEMENT REQUESTS FOR PUBLIC SERVICES

Based on the terms of the written agreement with the subrecipient, city staff will review reimbursement requests for allowability, eligibility, and reasonableness. All reimbursement requests by public service subrecipients shall include a summary detailing expenses by project budget line item and the amount being charged to the City's CDBG program. Where subrecipients serve clients from multiple jurisdictions in Los Angeles County, the City's invoice review procedures include an evaluation that charges to City of Montebello are pro-rated based upon the actual number of City of Montebello residents served.

The table below outlines what supporting documentation must accompany reimbursement requests.

COST ITEM	SUPPORTING DOCUMENTS
Salaries	• Documented payrolls approved by a responsible official of the organization • Signed personnel activity reports (timesheets) summarizing the distribution of activity of each employee. Timesheets should identify the amount of time spent on serving City of Montebello clients, or directly on the program. • Refer to OMB Circular A-122, Attachment B, Paragraph 8 (m)
Fringe Benefits	• Proof of payment of fringe benefits including health insurance statements, life insurance statements, etc. Fringe benefits will be calculated as a percentage of salaries. This percentage may generally not exceed 30 percent of salaries.

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Materials and Supplies	• Copies of invoices/receipts
Utilities	• Copies of invoices/receipts
Other expenses	• Copies of invoices/receipts/billing statements

PROCESS FOR APPROVAL OF REIMBURSEMENT REQUESTS FOR CONSULTANT SERVICES

Based on the terms of the written agreement with the contractor, city staff reviews reimbursement requests for allowability, eligibility, and reasonableness. All reimbursement requests by the contractor shall include a summary detailing expenses and the amount being charged to the City's HUD programs.

The table below outlines what supporting documentation must accompany reimbursement requests.

COST ITEM	SUPPORTING DOCUMENTS
Salaries	• Requests for reimbursement shall include a summary of the position(s) billed to the contract, the dates that services were provided, total number of hours billed by each position per clay, and the hourly billing rate of each position charged to the City of Montebello activity.
Materials and Supplies	• Copies of invoices/receipts
Other expenses	• Copies of invoices/receipts/billing statements

PROCESS FOR APPROVAL OF REIMBURSEMENT REQUESTS FOR CONSTRUCTION ACTIVITIES (INCLUDING PUBLIC FACILITIES)

City staff shall work with staff from the Public Works Department and Finance Department to coordinate project management activities and invoice review, approval, and draw down of funds related to construction activities using CDBG funds. At the onset of each construction project, each staff person's responsibilities related to the project will be determined.

All reimbursement requests by the contractor shall include a summary detailing the work performed, the dates such work was performed, and the amount being charged to the activity.

Staff will review all invoices prior to approval for payment and draw down of CDBG funds from IDIS. Prior to approving payment, staff will confirm with the Public Works Department that all items billed

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by the contractor have been completed. Staff will not approve any invoice if the contractor has not complied with applicable federal rules and regulations that the construction activity is subject to, such as Davis-Bacon and prevailing wage requirements.

If retention payments have been held by the City, the contractor will not be paid by the City until the City Council has certified completion of the project. Staff will work with the Finance Department to ensure that retention payments are not paid to the contractor and drawn down in IDIS until the project has been certified as complete.

PROCESS FOR APPROVAL OF TOTAL EXPENDITURE OF A SUBRECIPIENT GRANT PRIOR TO THE THIRD QUARTER OF THE FISCAL YEAR

Situations may arise where a subrecipient expends their entire CDBG grant prior to the third quarter of the fiscal year. This may occur particularly when a CDBG grant is small allowing for funds to be drawn down quickly and/or when a subrecipient devotes significant energy and time serving City of Montebello residents in the first and/or second quarter.

The City will allow the complete expenditure of a CDBG grant in the first or second quarter if a subrecipient can provide full documentation of allowable and eligible costs incurred during the respective time. When a subrecipient expends the entirety of their grant in the first or second quarter of the fiscal year, the subrecipient is still required to complete the entire fiscal year's contractual obligations, including quarterly and annual performance reporting.

The City will not allow for the expenditure of all grant funds in the first or second quarter if full documentation of eligible and allowable costs as required by the subrecipient's CDBG contract is not provided by the subrecipient for the relevant time.

FINANCIAL REPORTING

In addition to the budgeting, payment processing, and oversight actions described in other sections, the City will undertake the following actions to ensure accurate, current, and complete disclosure of the financial results of HUD-assisted activities in accordance with the financial reporting requirements of the CDBG and HOME Programs.

FFATA REPORTS

At the end of each month, the Finance Director will report on all awards in excess of $25,000 using the FFATA subaward reporting system (FSRS) in order to comply with the Federal Funding Accountability and Transparency Act of 2006. For guidance on data entry, refer to the guidance material on www.onecpd.info entitled “FFATA Subaward Reporting System Webinar for CDBG Grantees”.

OPEN BALANCE REVIEW

On a quarterly basis, the Planning & Community Development Director, Senior Management Analyst, Grants Consultant and Accounting Manager will review the Annual Expenditure Work Plan with IDIS PR 08 to identify slow moving projects. The review will include an assessment of the project's progress and its effectiveness of meeting its objectives. If a project is not on schedule or not effective, staff will develop a workplan and timeline for corrective actions.

MONTHLY RECONCILIATION

At the close of each month, the Finance Director or his designee will work with the Senior Management Analyst to reconcile General Ledger expenditures and IDIS drawdowns for all HUD accounts. The information in IDIS, the PR07 Drawdown by Voucher Number, will also be compared to the local Project Report to ensure the IDIS system accurately reflects expenditures and cash balances. All discrepancies will be reported directly to the Finance Director and Planning & Community Development Director who will jointly oversee corrective action.

FEDERAL CASH TRANSACTIONS REPORT

Semi-annually, the Senior Management Analyst will prepare and submit the Federal Cash Transactions Report SF-425. The Grant Administrator will take the following steps to reconcile IDIS with the City's local internal financial records:

STEP 1: DETERMINE DRAWS PER IDIS

1. From IDIS, generate the **PR07 Drawdown By Voucher Number Submitted to LOCCS**. Limit the report to the time period in question (i.e. Initial Date: 01/01/2014 and End Date: 06/30/2014 for Q2 of 2014).
2. Import the report into Excel.
3. Filter the report to show Entitlement Draws (EN Fund Type) with a Complete Status.
4. Verify the total amount of Entitlement funds drawn during the quarter by totaling all line items. This is the amount to enter on Line 10a. Cash Receipts of the SF-425.
5. If it is requested by the local HUD field office, the Federal Financial Report attachment can be used to report the amount disbursed from each grant allocation. Sort the PR07 report by the Grant Number field to determine the amount disbursed from each allocation.

STEP 2: DETERMINE EXPENDITURES PER LOCAL SYSTEM

1. From City's Accounting System, generate the **Accounts Payable Invoice Report** for the CDBG Fund. When selecting the date range, include the three months prior to the quarter in question. The City works on a reimbursement basis, meaning a draw that occurred in the current quarter may have been paid in the previous quarter.
2. For each drawdown listed on the PR07, identify the corresponding record on the Accounts Payable Invoice Report and initial the line item. Please note that it will not always be a one to one relationship. One IDIS draw could represent several claims and vice versa. To help with the identification process, reference the Voucher for IDIS Drawdown forms processed during the quarter.

3. Verify that each draw has a corresponding claim. If so, enter the same amount from 10a. on line 10b. of the SF-425 report and enter 0 on line 10c. If there is a discrepancy, report the matter to the Finance Director for correction.

STEP 3: FILING

1. Complete the remainder of the SF-425 Report and submit it to the local HUD Field Office within 15 days of the close of the quarter.
2. Maintain a copy of the completed and signed SF-425 Report, the PR07 Report, the Accounts Payable Invoice Report, and any notes or related correspondence in a folder labeled Federal Financial Reports.

PROCEDURES FOR REFLECTING PRIOR PERIOD ADJUSTMENTS AND ACCRUALS

In preparation of the CAPER, City staff review the following reports:

- PR09- Program Income Details by Fiscal Year and Program (report generated by IDIS)
- PR26- CDBG Financial Summary Report (report generated by IDIS)
- Analysis of CDBC Funds- City of Montebello Sources & Uses of Funds spreadsheet (report generated by the City's Grant Consultant)

Staff reconciles discrepancies between the IDIS reports and the City's Sources & Uses spreadsheet and makes the necessary adjustments in the PR26 report. These adjustments arc explained as Notes to the PR26, which is included as an appendix to the CAPER.

POLICY REGARDING REBATES, REFUNDS AND CREDITS TO HUD CPD PROGRAMS

All rebates, refunds, and credits to HUD CPD programs will be properly reported. Bid bond forfeiture funds that are not offset by additional costs to select another bidder will be credited to HUD CPD programs at their pro-rata share.

PROCEDURES FOR EVALUATING TRAVEL AND TRAINING COSTS CHARGED TO THE CDBG PROGRAM

All travel and training expenses charged to HUD programs must be approved by the Community Development Director or a Department Director. Prior to approval, travel and training expenses are evaluated based on the following criteria:

- Compliance with OMB Circular A-122
- Applicability/relevance to CDBG/HOME program goals and objectives
- Eligibility under CPD programs
- Within the allocated budget for that program

SCHEDULE OF FEDERAL EXPENDITURES

The Finance Department is responsible for preparing, based on information provided by the Community Development Department, the Schedule of Federal Expenditures (SEFA) as part of the annual auditing process. Regarding CDBG, the following procedures will be followed to ensure that the SEFA is reconciled:

1. Department of Finance staff will prepare the SEFA in preparation for the annual audit. Expenditures shall be determined using the following guidelines:
    a. Use the same accounting basis as the City's Financial Statements.
    b. Include all expenditures of federal awards for the year, including but not limited to
        i. transactions associated with grants, cost-reimbursement contracts, cooperative agreements, and direct appropriations;
        ii. federal awards received directly from a federal agency and indirectly from a state agency;
        iii. disbursement of funds passed through to sub-recipients;
        iv. receipt of loan proceeds under loan and loan guarantee programs; receipt of federal property and surplus property;
        v. receipt and use of program income.
    c. List all financial assistance from the same federal agency together on the schedule.
    d. Within each federal agency section, list all direct awards first followed by indirect awards.
    e. Provide subtotals for programs with the same Catalog of Federal Domestic Assistance (CFDA) number.
    f. Provide subtotals for assistance received directly and assistance received indirectly.
    g. Provide a total for each federal agency.

2. Accounting Manager will provide any and all underlying records, claims, and vouchers needed to verify CDBG expenditures and draws.

3. Director of Finance or his designee will review the draft SEFA for:
    a. reported expenditures against information from the Eden system;
    b. the correct CDFA and agency information is provided, including identification of pass-through entities.
    c. that the draft version presents the minimum data elements required by 2 CFR 200 Subpart F.

4. Director of Finance will provide the draft SEFA to the outside auditing firm for review.

5. Director of Finance will work with staff and outside auditing firm to address any errors, omissions or weaknesses.

ASSET MANAGEMENT

Any property, personal or real, is limited in use to serving the objectives of HUD programs. All property purchased with HUD funds must be adequately controlled and safeguarded. In general, it is the responsibility of the Community Development Director to ensure staff take appropriate day to day actions to prevent loss, damage, or theft of the property. It is also the responsibility of the Community Development Director to ensure all equipment and property is adequately maintained on a regular, as-needed basis. Any loss, damage, or theft must be reported to the Mayor and City Manager.

Regarding asset management, property can be generally divided into three categories: supplies, equipment, and real property. Supplies are all tangible personal property other than Equipment. A computing device is a supply if the acquisition cost is less than $5,000, regardless of the length of its useful life. Equipment is tangible personal property having a useful life of more than one year and a per-unit acquisition cost more than $5,000. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.

Equipment must be used by the City and/or its subrecipients for the purpose which it was acquired whether or not the project or program continues to be supported by CDBG. When no longer needed for the original program or project, the equipment may be used in other activities. However, CDBG-purchased equipment cannot be used to provide services for a fee that is less than private companies charge for equivalent services unless the service meets all of the CDBG rules and regulations.

When original or replacement equipment acquired with HUD funds is no longer needed for the original project or program or for other activities currently or previously supported by HUD funds, the City shall request disposition instructions from HUD. In most cases, items of equipment with a current per unit fair market value of $5,000 or less may be retained, sold or otherwise disposed of with no further obligation. Some portion of the proceeds may be considered program income. If replacement equipment is necessary, the City may use the existing equipment as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

REAL PROPERTY

All real property, such as buildings, should be protected by using reasonable security measures. Equipment and supplies should be reasonably protected from possible theft. Short-term supplies, such as office supplies, do not need to be controlled through a perpetual inventory system, but must still be adequately safeguarded.
When the City or its subrecipients wish to dispose of property acquired or improved with HUD Funds, the disposition is subject to the regulations at 24 CFR 570.505 (see below). If the property is changed to a non-eligible use within the five-year period, the funds returned to the City are treated as returned funds (as opposed to program income). After the five-year period, any funds returned to the City are considered program income.

When selling the property, the City and or its subrecipient shall follow its local procedure to ensure the highest possible return.

> The standards described in this section apply to real property within the recipient's control which was acquired or improved in whole or in part using CDBG funds in excess of $25,000. These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of an entitlement recipient's participation in the entitlement CDBG program or, with respect to other recipients, until five years after the closeout of the grant from which the assistance to the property was provided.

(a) A recipient may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the recipient provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either:

(1) The new use of such property qualifies as meeting one of the national objectives in §570.208 (formerly §570.901) and is not a building for the general conduct of government; or
(2) The requirements in paragraph (b) of this section are met.

(b) If the recipient determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (a)(1) of this section, it may retain or dispose of the property for the changed use if the recipient's CDBG program is reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.

(c) If the change of use occurs after closeout, the provisions governing income from the disposition of the real property in §570.504(b)(4) or (5), as applicable, shall apply to the use of funds reimbursed.

(d) Following the reimbursement of the CDBG program in accordance with paragraph (b) of this section, the property no longer will be subject to any CDBG requirements.

RECORDKEEPING

Property records must be maintained that include:

- a description of the property,
- a serial number or other identification number,
- cost of property, including percentage paid for with HUD Funds,
- who holds title,
- the acquisition date,
- the location, use, and condition of the property, and
- any ultimate disposition data including the date and sale price.

The Planning & Community Development Director shall take inventory of all property and reconcile inventory with property records at least once every two years. Any difference between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The inventory shall include verification of the existence, current use and condition, and continued need for the property.

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PROGRAM INCOME

Drawdowns of funds through IDIS will occur at least monthly. It is anticipated that monthly IDIS drawdowns of expenditures will greatly exceed monthly program income. Interest earnings on program income that are not offset by monthly expenditures will be credited to the appropriate program.
There are currently two sources of CDBG program income.

Program income from the home rehabilitation program. The loan servicer receives loan repayments and creates a monthly report to the City. The repayments are forwarded to the City and deposited into different accounts used for loan repayments. As described above, this program income is drawn down first when funds are drawn down for any appropriate activity.

Program income from housing activity. A few housing development projects received funds and loan repayments are made when there is surplus cash or residual receipts at the end of the year, as evidenced by the developments' annual financial audits. The amount of program income is determined by the loan terms indicated in the promissory note or appropriate funding agreement. The Planning & Community Development Director records the loan repayment and forwards it to Finance to deposit. As above, the program income is drawn down first when funds are drawn down for any appropriately funded activity.

REIMBURSEMENT PROCESS IN IDIS

The City will adhere to the following procedure to pay CDBG-related claims monthly:

- Within IDIS, the Accountant creates program income receipts based on monies received since the last drawdown
- Accountant reconciles Invoice Report with Draw Schedule and alerts Finance Director to any discrepancies
- Within IDIS, Senior Management Analyst will create IDIS draw voucher based on the actual expenditures incurred by the City. Once the drawdown voucher is created, the Senior Management Analyst will print a screenshot of the voucher creation screen from IDIS, record the Voucher Number on the Departmental Budget, and alert the Finance Director that the drawdown is ready for approval
- Finance Director approves drawdown voucher in IDIS. Funds will wire transfer to City designated account in two to three business days
- Upon receipt of wire transfer from the U.S. Treasury, the Finance Department Accountant will alert the Finance Director of receipt by forwarding the report with the CDBG disbursements identified. The General Fund will be reimbursed for the CDBG costs that were advanced

TIMELINESS REVIEW

- On a monthly basis, the Senior Management Analyst will generate and review with the Finance Director or his designee, the CDBG Timeliness Report and evaluate the timeliness of CDBG expenditures.

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10. INTEGRATED DISBURSEMENT AND INFORMATION SYSTEM (IDIS)

OVERVIEW

This section is intended to provide an introductory tour through the Integrated Disbursement and Information System and offer concise explanations of the most common tasks to be performed in the system. It is not intended as a substitute for the Disbursement and Information System Reference Guide or other reference material listed at the end of this section.

WHAT IS IDIS?

IDIS stands for "Integrated Disbursement and Information System". It is an on-line system that HUD developed to manage the four Community and Planning Development formula programs: CDBG, HOME Investment Partnership Program (HOME), ESG, and Hosing Opportunities for Persons with AIDS (HOPWA).

IDIS allows recipients of formula grant funds to report on the use of funds as well as to request funds from the US Treasury.

IDIS does have a reference manual and other reference materials. You should have a copy of the reference manual. Where to find the reference manual (available on the HUD web site in PDF) and other resources are in the IDIS resources section at the end of this chapter.

IDIS IN CONTEXT

IDIS is one of four management systems envisioned by HUD as supporting the formula grant programs. The other three are:

- The Consolidated Plan Management Process (CPMP) system organizes and reports information regarding the projects and activities conducted by the grantee. It is designed to provide consistent information in a consistent format to the public, to HUD, and ultimately to the US Congress. It also may be used to upload project and activity information into IDIS. See the section on CPMP for more information.
- The Line of Credit and Control System (LOCCS) interacts with IDIS to disburse funds from the US Treasury and report information to IDIS on the availability of funds and grant balances. The grantee has no direct access to LOCCS.
- The Grants Management Process system (GMP) is the system employed by HUD field offices to manage formula grants and review the performance of grantees. HUD field staff use IDIS to view the performance of grantees. Grantees are not involved in GMP.

IDIS STRUCTURE: PLAN, PROJECT, AND ACTIVITY

IDIS is intended to "mirror" the Consolidated Plan and the annual Action Plan. Projects represent the undertakings identified in the Consolidated Plan as meeting the community's needs. Projects are organized into Plan Years that coincide with the annual Action Plan. Activities represent the individual tasks that contribute to the goals of the Project.

INTEGRATION INTO IDIS ONLINE

Beginning in May 2012, HUD grantees will be able to submit their Consolidated Plan using the Consolidated Plan template in IDIS Online. The Consolidated Plan template will be required for all Consolidated Plans submitted on or after November 15, 2012. Grantees that are scheduled to submit Consolidated Plans to HUD after this date will use the template for both the Consolidated Plan and each Annual Action Plan.

With the incorporation of the Consolidated Plan, Annual Action Plan, and CAPER into IDIS Online, all the key reporting elements of the grants are integrated into one system. This will help ensure cohesiveness between the goals described in the Consolidated Plan and Action Plan and the outcomes tracked in IDIS and reported in the Consolidated Annual Performance and Evaluation Report (CAPER). The reports in IDIS Online can be run throughout the program year to monitor progress and performance against the goals established in the Consolidated Plan and Annual Action Plan.

To access IDIS Online, a grantee must have an active IDIS Online User ID. To add new users, grantees should follow the instructions on the IDIS Log On page: http://www.hud,gov/offices/cpd/systems/idis/obtainaccount.cfm.

Before a grantee user can add or edit a Consolidated Plan or Action Plan, the local IDIS Administrator for the grantee must edit the user's profile to provide that functionality. Local administrators can use these steps to edit a user's profile to provide access to the Consolidated Plan, Action Plan, and CAPER templates:

1. All grantees have a local administrator. To determine who has local administrator privileges, run the Security
2. Click on Admin in the Main Menu bar (only local administrators will see this option).
3. By default, the system will display the Search User Profiles screen. Use the fields provided, such as User ID or First Name and Last Name to search for the user profile that needs to be revised, then click Search.

IDIS FACTS

- Each activity must be associated with a project, each project with a Plan Year
- A Project may have one or more Activities associated with it.
- Reporting and disbursement happens at the Activity level.

Once the initial structure of Plan Year, Projects and Activities has been established in IDIS, nearly all future activity in IDIS is at Activity level.

When would there be more than one Activity under a Project?

- When there is a single undertaking that has several distinct components or stages.
  - Community Center – acquisition, design, construction, operations
  - Homeless Shelter – bus tickets, counseling, meal vouchers, clothing operations

IDIS ACCESS

The starting place for IDIS is the main IDIS webpage:
http://www.hud.gov/offlces/cpd/systems/idis/

IDIS is accessed through an internet browser using an application that emulates a mainframe "green screen".

The steps you need to take to access IDIS can be found on the "getting started" page of the IDIS web page.

REQUESTING IDIS ACCESS

The first thing to do is to request IDIS access by submitting an IDIS Access Request Form on the IDIS web page.

Be sure to follow the instructions carefully and note:

- Check the correct action box
- Check the correct “authorized function” box(es) (more on this below)
- Check the program area box(es) for the programs for which you need access to IDIS
- The person who is requesting access signs under “authorized user”
- Leave “field office approval” blank
- Under “approved by”, enter the information for your jurisdiction’s chief executive or other authorized official (this will be the same person who signs your grant agreements with HUD)
- You must notarize the signature of the “approving” official

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Submit the form to your HUD field office (not to IDIS Security). Send it attention to your Program Representative. Let your representative know it is on the way.

If you do not receive your IDIS authorization within 4 weeks, follow-up with your representative. A call to IDIS Security might also be required.

IDIS Access is specific to the person. A person may have access to one or more jurisdictions. Once you have an IDIS ID you will never have a new one issued to you. It's important to let IDIS Security know (via the form) if you have had IDIS access in the past, as they will simply "renew" your ID.

SELECTING THE CORRECT "ACTION"

Your choices for "Action" on the form and when to tick them are:

- New Request - You have never had an IDIS ID.
- Renew Lapsed ID - You had an IDIS ID but you let it lapse. (Call IDIS technical assistance to confirm.)
- Drop from IDIS - You no longer want access to IDIS, or more likely, you want to remove someone's access to IDIS.
- Add Access to Another Grantee - You currently have IDIS access for one grantee and you want authorization for another. This is uncommon for most grantee staff. You will see consultants with this sort of access or the staff of Consortia or Urban Counties.
- Change Name/Functions/Grantee - Self-explanatory. Seldom used.

AUTHORIZED FUNCTIONS IN IDIS

In general, it is best to select all authorized functions unless there is a specific reason not to. Such a reason might be that you only want certain staff to approve draws or certain staff to be able to perform administrative functions in IDIS.

It is recommended that if this is desired, two levels be created: those that can only set-up activities and request (create) draw-downs and those that can perform all functions including administration.

It is important to remember that the same user cannot both create and approve a draw request.

THE AUTHORIZATION PACKET

When your IDIS authorization is complete you will receive an authorization "packet" from IDIS Security. The items you want to focus your attention on are your WEB390 ID or "wi" number,

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your IDIS ID or "c" number and your IDIS temporary password. Keep this packet in a safe place. When monitoring, some HUD staff will want to see that you have your IDIS authorization documents in order and in a secure location.

PC AND SOFTWARE REQUIREMENTS

If you have a PC running MS Windows, you should not have a problem working with IDIS. Currently the most stable configuration is Windows 2000 using IE 6.x. Issues have been reported using IE 7.x and with XP. No word on Vista. Netscape is no longer supported so its use is not recommended. IDIS does not support Firefox.

It is typical that as new operating systems are released (or even significant updates) or new browser versions are released, IDIS lakes some time to catch up.

You will need to down-load and install a "plug-in" or helper application that works with your browser. To see which of the two plug-ins to install, check the chart on the "Browser and Plug-in Information" page:

http://www.hud.gov/offices/cpd/systems/idis/gettingstarted/browser.cfm#browsers.

See the "Plug-in Guide" published by IDIS staff (attached) for step-by-step instructions.

Ignore the instructions to download and install the report batch file. Ignore the report batch guide. This is obsolete.

GOING INTO IDIS

To access IDIS, start at the IDIS page http://www.hud.gov/offices/cpd/systems/idis/idis.cfm. This page is also where HUD will post news related to IDIS. From this page, you can login to the IDIS practice area as well as the IDIS "production" area.

To login to IDIS, scroll down the page to the map and click on the region of the map that includes your state. Alternatively, click on your state's name below the map. This will take you to the WEB390 login page.

Enter the WEB390 ID you were assigned along with your WEB390 password. The WEB390 ID is also called your "wi" number. It will never change, nor will your WEB390 password.

If you enter the correct credentials, you will go to what some call the "house" screen.

Here you should see your local time and date in the top right corner, and under the HUD logo: "Current 3270 connection status: NOT CONNECTED". (If it does not say this, it means that

someone else did not log off correctly or the browser hung up and was forced to close. You will need to wait until the system resets.) You will see a drop-down box below that ... ignore it. You will also see a button "LOGON" and a row of buttons: "RESHOW"; "ATTN"; "LOGOFF"; and "Get Reports/Data".

DRAW DOWN FUNDS

Four basic steps are necessary to draw down funds for CDBG, HOME, ESG, or HOPWA. These four steps must be followed in order. A helpful way to remember this order is the acronym "JAID", which refers to the letters on the IDIS Main Menu that access these functions.

STEP 1: CREATE A PROJECT

Projects serve as an organizational structure under which activities can be set up in IDIS. They connect activities with a specific Consolidated Plan year. In many cases, HUD automatically loads projects into IDIS from Annual Action Plans at the beginning of each grantee's program year. If the grantee chooses to load its own projects, it must create them at the start of its program year.

The IDIS Reference Manual provides more detailed explanation of Setting Up, Approving, and Revising Projects (see website below):

http://portal.hud.gov/hudporlal/HUD?src=/program_offices/comm_planning/atfordablehousing/programs/home/home_idis_manual_pj

STEP 2: SET UP AN ACTIVITY

Setting up an activity in IDIS is a prerequisite to committing and drawing down funds and reporting on the progress of your program initiatives throughout the year. Activities provide a way to report on the work underway for a project and are the level where funds are committed and drawn. Setting up an activity is a two-part process. The first part involves entering data on four activity setup screens, often called the "Common Path", that are similar regardless of the program. On the fourth screen (called the "money screen"), enter the budgeted amount and indicate the formula grant program(s) that will fund this activity. The second part of setting up an activity involves entering information on screens in the "Program Path", which are different for each grant program.

The IDIS Reference Manual provides a more detailed explanation of Setting Up the Activity Common Path in Chapter 4.

IDIS MATRIX CODES

Assigning correct matrix codes and national objectives to activities is important, not only in recording the eligibility of activities, but also in accurately reporting accomplishment data. The matrix code and national objective selected for an activity generally identify the purpose for which assistance is provided and determine the type of accomplishment units that should be reported. The IDIS Reference Manual provides definitions of matrix codes in Appendix B.

- CDBG Cross Reference Matrix

  All CDBG activities must be assigned a matrix code and a national objective code. Grantees across the country must be consistent in uniformly applying matrix codes and national objectives to activities.

STEP 3: FUND THE ACTIVITY

This step consists of committing the funds budgeted for the activity from the program(s) that will fund it. The Activity Funding process allows you to fund an activity from grants, subfunds, receipt funds, or subgrants. You identify each grant, subfund, receipt fund, or subgrant and the amount of funds to be committed from the funding source to an activity.

The IDIS Reference Manual provides a more detailed explanation of Activity Funding in Chapter 5.

STEP 4: DRAW DOWN FUNDS

A drawdown, also called a voucher, is a request for payment against a grantee's line of credit for services performed in support of one or more activities. Grantees draw funds as required to pay for work that has occurred for an activity. A separation of duties policy is applicable under certain circumstances.

The IDIS Reference Manual provides a more detailed explanation of Creating and Approving Drawdowns in Chapter 7.

STEP 5: REPORT ACCOMPLISHMENTS

HUD requires reliable, comprehensive information regarding program performance in order to comply with the Government Performance and Results Act of 1993, fulfill reporting requirements for Congress and other stakeholders, measure progress made in meeting Business and Operating Plan goals, monitor grantee performance, and evaluate overall program results.

For detailed reporting instructions, CDBG grantees may refer to Guidance for Reporting CDBG Accomplishments in IDIS.

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11. ENVIRONMENTAL

OVERVIEW

This section of the manual will provide an overview of the HUD environmental review and National Environmental Policy Acts (NEPA) requirements. There is an entire part of federal regulations (24 CFR 58) dedicated to describing these requirements and compliance with them. There are also several "related acts" and Executive Orders that impose environmental requirements on recipients of CDBG funds. These laws are listed at http://www.hud.gov/offices/cpd/environment.

LEVEL OF REVIEW DETERMINATION

The initial step of the process is to determine which "level of review" is appropriate for the activity being considered. There is a model form for this provided by the HUD San Francisco field office.

LEVELS OF REVIEW

EXEMPT

The following activities are by their nature not considered by HUD to have a significant environmental impact. (See Appendix for sample Exempt Activities Checklist).

- Environmental and other studies, resource identification, and the development of plans and strategies;
- Information and financial services;
- Administrative and management activities;
- Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment. crime prevention, child care, health, drug abuse. education. counseling, energy conservation and welfare or recreational needs;
- Inspections and testing of properties for hazards or defects;
- Purchase of insurance;
- Purchase of tools;
- Engineering or design costs;
- Technical assistance and training;
- Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair or restoration activities necessary only to

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control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration; and
- Payment of principal and interest on loans made or obligations guaranteed by HUD.

The only requirement is to review compliance with flood hazards, flood insurance/disaster assistance, coastal barriers, and airport clear zones. These are referred to as "the authorities listed at 24 CFR 58.6".

The level of review determination form includes a section to address 24 CFR 58.6. No further review is necessary.

CATEGORICALLY EXCLUDED, NOT SUBJECT TO 58.5

These "categorically excluded" activities do not require an EIS or EA except under "extraordinary circumstances" as defined at 58.2(a)(3) (see Appendix for sample Categorically Excluded Checklist).

These following activities are by their nature not considered to have an impact that would require environmental review:

- Tenant-based rental assistance;
- Supportive services including, but not limited to, health care, housing services, permanent housing placement, day care, nutritional services, short-term payments for rent/mortgage/utility costs, and assistance in gaining access to local, State, and Federal government benefits and services;
- Operating costs including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment and other incidental costs;
- Economic development activities, including but not limited to, equipment purchase, inventory financing, interest subsidy, operating expenses and similar costs not associated with construction or expansion of existing operations;
- Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including dosing costs and down payment assistance, interest buydowns, and similar activities that result in the transfer of title;
- Affordable housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities which do not have a physical impact; and
- Approval of supplemental assistance (including insurance or guarantee) to a project previously approved under this part, if the approval is made by the same responsible entity that conducted the environmental review on the original project and re-evaluation of the environmental findings is not required under Sec. 58.47.

The only requirement is to review compliance with flood hazards, flood insurance/disaster assistance, coastal barriers, and airport clear zones. These are referred to as "the authorities listed at 24 CFR 58.6".

The level of review determination form includes a section to address 24 CFR 58.6. No further review is necessary.

The only significant difference between "exempt" and "categorically excluded, not subject to 58.5" is that the latter are subject to further review if It is determined that there are "extraordinary circumstances and conditions" that would have an environmental effect. [24 CFR 58.35(c)].

CATEGORICALLY EXCLUDED, SUBJECT TO 58.5

Categorically excluded activities do not require an EIS or EA except under "extraordinary circumstances" as defined at 58.2(a)(3).

The following activities are by their nature not considered to have an impact that would require review under NEPA:

(1) Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20 percent (e.g., replacement of water or sewer lines, reconstruction of curbs and sidewalks, repaving of streets).

(2) Special projects directed to the removal of material and architectural barriers that restrict the mobility of and accessibility to elderly and handicapped persons.

(3) Rehabilitation of buildings and improvements when the following conditions are met:

(i) In the case of a building for residential use (with one to four units), the density is not increased beyond four units, the land use is not changed, and the footprint of the building is not increased in a floodplain or in a wetland;

(ii) In the case of multifamily residential buildings:

(A) Unit density is not changed more than 20 percent;

(B) The project does not involve changes in land use from residential to non-residential; and

(C) The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.

(iii) In the case of non-residential structures, including commercial, industrial, and public buildings:

(A) The facilities and improvements are in place and will not be changed in size or capacity by more than 20 percent; and

(B) The activity does not involve a change in land use, such as from non-residential to residential, commercial to industrial, or from one industrial use to another.

(4) [Blank]

(i) An individual action on up to four dwelling units where there is a maximum of four units on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between; or

(ii) An individual action on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site.

(iii) Paragraphs (a)(4)(i) and (ii) of this section do not apply to rehabilitation of a building for residential use (with one to four units) (see paragraph (a)(3)(i) of this section).

(5) Acquisition (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use.

(6) Combinations of the above activities.

Review of compliance with flood hazards, flood insurance/disaster assistance, coastal barriers, and airport clear zones is required (58.6).

Review of the factors under 24 CFR 58.5 is required for these activities. These are referred to as "the related laws and authorities". The HUD San Francisco Field Office has provided a model "statutory review checklist".

ENVIRONMENTAL ASSESSMENT "EA"

An Environmental Assessment or "EA" is required if a project is not found to be categorically excluded or exempt.

The regulations specify how to prepare an Environmental Assessment and the public notices and public review periods that must be followed. These are in "Sub-part E" of Section 58.

The HUD San Francisco Field Office has provided a model Environmental Assessment form.

ENVIRONMENTAL IMPACT STATEMENT "EIS"

An Environmental Impact Statement or "EIS" is required when "the project is determined to have a potentially significant impact on the human environment".

There are also several specific circumstances that require the preparation of an Environmental Impact Statement. These are listed at 58.37(b).

Below is a table summarizing the various levels of review.

Level of Review	Definitions	Required Review	Documents
Exempt	58.34	58.6	• Level of Review Determination/58.6 Review
Categorically Excluded, not subject to 58.5	58.35(b)	58.6	• Level of Review Determination/58.6 Review
Categorically Excluded, subject to 58.5	58.35(a)	58.6 58.6	• Level of Review Determination/58.6 Review • Statutory Worksheet
Environmental Assessment	58.36	58.5 58.6 EA	• Level of Review Determination/58.6 Review • Statutory Worksheet • EA
Environmental Impact Statement	58.37	58.5 58.6 EIS	• Level of Review Determination/58.6 Review • Statutory Worksheet • EIS

EXTRAORDINARY CIRCUMSTANCES

The "extraordinary circumstances" referred to above are defined in the regulations at 24 CFR 58.2(a)(3).

(3) Extraordinary Circumstances means a situation in which an environmental assessment (EA) or environmental impact statement (EIS) is not normally required, but due to unusual conditions, an EA or EIS is appropriate. Indicators of unusual conditions are:

(i) Actions that are unique or without precedent;

(ii) Actions that are substantially similar to those that normally require an EIS;

(iii) Actions that are likely to alter existing HUD policy or HUD mandates; or

(iv) Actions that, due to unusual physical conditions on the site or in the vicinity, have the potential for a significant impact on the environment or in which the environment could have a significant impact on users of the facility.

"58.6" REVIEW

The model “Level of Review Determination" worksheet provided walks you through the review for the "58.6" requirements. It is a "yes/no”, “if/then" format. You proceed until you have hit a line that indicates "the review of this factor is complete”.

STATUTORY REVIEW "58.5"

Using the Statutory Review checklist. the review of the 58.5 requirements is documented. For each requirement or "factor" the status is indicated as follows:

“A”	"will not result in a violation of this statute or authority, nor requires a special permit or license"
“B”	"may result in a violation of any of the cited statute or authority, or requires a special permit or license"
“N/A”	because of the location of the project this factor is not applicable. This would be true in an inland area for the Coastal Zone Management Act.

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CONVERSION TO EXEMPT

PUBLIC NOTICE

Grantees must provide the public with the following minimum comment periods:

- Notice of Finding of No Significant l5 days when published or, if Impact (FONSI). No publication, 18 days when mailing and posting
- Notice of Intent to Request Release 7 days when published or, if no of Funds (NOI-RROF) Publication, 10 days when mailing and posting
- Concurrent or combined notices l5 days when published or, if no publication, l8 days when mailing and posting

FONSI/RROF

(a) If the responsible entity makes a finding of no significant impact, it must prepare a FONSI notice, using the current HUD-recommended format or an equivalent format. As a minimum, the responsible entity must send the FONSI notice to individuals and groups known to be interested in the activities, to the local news media, to the appropriate tribal, local, State and Federal agencies; to the Regional Offices of the Environmental Protection Agency having jurisdiction and to the HUD Field Office (or the State where applicable). The responsible entity may also publish the FONSI notice in a newspaper of general circulation in the affected community. If the notice is not published, it must also be prominently displayed in public buildings, such as the local Post Office and within the project area or in accordance with procedures established as part of the citizen participation process.

(b) The responsible entity may disseminate or publish a FONSI notice at the same time it disseminates or publishes the NOI/RROF required by Sec. 58.70. If the notices are released as a combined notice, the combined notice shall:

(i) Clearly indicate that it is intended to meet two separate procedural requirements: and

(ii) Advise the public to specify in their comments which "notice" their comments address.

(c) The responsible entity must consider the comments and make modifications, if appropriate, in response to the comments, before it completes its environmental certification and before the recipient submits its RROF. If funds will be used in Presidentially declared disaster areas, modifications resulting from public comment, if appropriate, must be made before proceeding with the expenditure of funds.

RELEASE OF FUNDS

The certification form executed by the responsible entity's certifying officer shall be sent to the recipient that is to receive the assistance along with a description of any special environmental conditions that must be adhered to in carrying out the project. The recipient is to submit the RROF and the certification of the responsible entity to HUD (or the State, if applicable) requesting the release of funds.

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PROCESS/FLOW

Level of review – Make it clear from project description and LOR determination why this LOR is appropriate.

BEST PRACTICES AND GENERAL PRINCIPLES

The most important thing to remember about the environmental review process is to never expend funds or contract to expend funds before the review process is completed.

IDIS

In the Integrated Disbursement and Information System (IDIS) activity set up path there is a screen (C04MA03) that has a place to indicate the “environmental assessment code”. If the activity is set up in IDIS before the environmental review is complete, this field should be left blank. The field must be completed before the activity can be funded.

Note that a complete environmental review may be when the record is complete or later when a release of funds has been received from HUD. It will depend on the particular level of review.

For all activities except those requiring an Environmental Assessment (EA) or Environmental Impact Statement (EIS), an "A" should be entered in the field to indicate the activity does not require an EA or EIS. IDIS will show the project as "exempt.'' This is the case even for those that are categorically excluded.

If an EA or EIS is required, a "D" may be entered for "underway" while the EA or EIS is being conducted. It is not required.

Once the EA or EIS is completed, a "C" is entered for "completed”.

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Status	**Enter into "environmental assessment code" field**
ER incomplete	Leave Blank
ER completed, finding of exempt or categorically excluded (Anything but EA or EIS)	"A" for exempt
EA or EIS required, but not completed	"D" for underway
EA or EIS completed	"C" for completed

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12. PROCUREMENT

OVERVIEW

This section will provide the grantee staff with a summary of the federal regulations and policy documents that apply to procurement using CDBG funds. These are described at 24 CFR 570.610 as "uniform administrative requirements and cost principles". These apply generally to the use of all federal funds. In addition to these requirements, the "other program requirements" in Sub-Part K of the Part 570 should be reviewed when procuring goods and services. For example, the rules regarding contracting opportunities, the Americans with Disabilities Act (ADA) and environmental standards may be relevant.

The regulations that specifically address procurement include 24 CFR 84, 24 CFR 85, and Office of Management and Budget (OMB) Circular A-1 10. Procurement of goods and services by both the grantee and any sub-grantees or sub-recipients are all controlled by federal regulation. These requirements pass through with federal funds.

Any state or local regulations should also be considered.

Although there are very specific requirements for procurement using CDBG, there are a few general guidelines that apply to assure a quality process:

- Provide dear standards for the quality and nature of the goods and services to be provided;
- Assure a competitive process that results in the best possible product for a reasonable price;
- Provide a purchase agreement or contract that clearly states the obligations of each party;
- Maintain adequate records of the process; and
- Have a system in place to verify that the goods or services provided are as specified.

TYPES OF PROCUREMENT

In general, procurement processes can be grouped into four types:

1. Small purchases;
2. Sealed bid;
3. Competitive proposal (RFP/RFQ); and
4. Non-competitive.

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SMALL PURCHASES 85.36(D)(1)

This is the most common form of procurement that most grantees, sub-grantees and sub-recipients will use. It is the least formal and the most flexible. It is permissible only for purchases that fall under $100,000. Publication of a formal request for proposals (RFP) or an invitation to bid is not required. This is most often used to procure materials, equipment or professional services. It is not typically used for construction contracts nor is it recommended.

The purchaser identifies several potential vendors and solicits quotes or bids from those vendors. The purchaser reviews the received quotes or bids and selects the best one.

SEALED BID 85.36(D)(2)

This method is characterized by a formal bid notice, the submission of sealed bids, and the award of a fixed-price contract. Sealed bidding is preferred for construction.

Bids are solicited through formal public notice or advertisement. Solicitations should be circulated to trade groups, unions, and builders' exchanges.

The contract is awarded to the lowest responsible bid. As the regulations state, the contract is awarded to the lowest bid which, "[conforms] with all the material terms and conditions of the invitation for bids..." If there is a "sound documented reason", one or even all bids may be rejected.

- The sealed bid process works when there are:
  - A clear well-defined and detailed scope of work or product specification(s);
  - At least two bidders able to offer competitive pricing; and
  - The good or service lends itself to a fixed-price contract and selection can best be made based on competitive pricing.

HUD has set forth the following minimum requirements for sealed bid procurement:

- The bid solicitation must be publicly advertised;
- Bids must be solicited from an "adequate" number of potential vendors;
- Bidders must be given "sufficient" time to develop a bid;
- The bid solicitation must include all the specifications, background information, and a definition of the goods or services required for the bidder to be able to develop and submit a complete bid; and
- The solicitation must state the place, time and date of the public bid opening.

Although not specifically mentioned in the regulations, late bids should not be accepted. Bids must be opened at the time and place stated. Bid results must be made public.

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The contract or purchase agreement must be awarded to the "lowest responsive and responsible bidder". As stated before, any or all bids may be rejected for a "sound" reason that is well-documented. Bids that are incomplete or that fail to consider the entire scope of work or provide goods or services that are not those specified may be considered "not responsive". Bids that propose a price that is judged to be grossly insufficient to complete the scope of work or from bidders who appear to lack the basic qualifications to complete the work can be considered to be "not responsible". In all cases, the evaluation of the bids received must be documented and the selection of the bidder justified.

COMPETITIVE PROPOSALS 85.36(D)(3)

IN GENERAL

The form specified for the quote or bid should allow the purchaser to accurately compare the cost of the goods or services.

Single purchases that would logically follow in sequence or typically be a single service, good or "work" may not be broken down into parts to be procured separately to avoid a formal procurement process.

The goal is to obtain a reasonable and responsible price. The lowest price does not need to be taken if the selected vendor's price can be considered to be reasonable in comparison to others. If the lowest price is not considered to be "responsible" it should not be accepted. Such a price would be considered to be infeasible or would for some reason have been determined to have failed to consider the full scope of work or the desired quality of product.

Let your bidders know how you will decide and when. This not only includes your decision criteria, but the process that will be used. Will there be interviews or follow-up questions?

Make your process transparent. If they ask, let your bidders know who responded. After the selection process, you should be willing to reveal the responses and discuss your selection decision. If you are not, some firms may request this information through a formal public information request. This is much more expensive and time-consuming for all involved. Your goal is to always get better bids. Letting an un-successful bidder know how they came up short may make for a better bid next time.

Document the procurement process. This includes when actions were taken to solicit, when responses were received, when decisions were made and why.

If a bidder asks a clarifying question, the question and response should be shared with all bidders.

Each vendor should be given the same information on the desired goods or services. The request should be made at the same time and each potential vendor should be required to return the quote or bid on the same date and time.

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13. OTHER FEDERAL REQUIREMENTS

This final section of the manual is designed to deliver a brief overview of some related federal requirements that will need to be considered by a grantee when working with federal CDBG funds.

LABOR STANDARDS (570.603)

To ensure that employment standards are maintained and workers are being compensated fairly for their labor, grantees using federal funds through HUD must comply with required labor standards, otherwise known as Davis-Bacon. The Davis-Bacon and Related Acts, apply to contractors and sub-contractors working on federally funded or assisted contracts in excess of $2,000 for the construction or repair of public buildings or public works. Contractors are required to pay their employees no less than the local prevailing wages and fringe benefits determined by the Department of Labor. Refer to http://www.wdol.gov to find prevailing wage rates.

FAIR HOUSING (570.601)

Under the Fair Housing Act, HUD is obligated to uphold fair housing laws and requires grantees of HUD CDBG funding to commit to furthering fair housing within their community. As part of this commitment grantees are required to conduct an Analysis of Impediments to Fair Housing Choice (AI) and take appropriate actions to overcome any impediments to fair housing identified through the AI process. Fair housing laws assist in eliminating racial and ethnic segregation, illegal physical barriers, barriers to persons with disabilities, and discriminatory practices in housing. The grantee is encouraged to complete an AI with the update of their Consolidated Plan or every five years.

Fair Housing regulations can be found on HUD's website at www.hud.gov. There is also a Fair Housing Planning Guide available on the website that provides fair housing information and assists in the completion of an AI.

NON-DISCRIMINATION (570.602—SECTION 109)

Grantees receiving federal funding through HUD are required to certify that no person will be denied access or participation in a program based on the grounds of race, national origin, religion, sex, age, or disability status. When submitting the Consolidated Plan and annual Action Plan the grantee will have to sign the required certifications to attest that the grantee will commit to the non-discrimination requirements.

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RELOCATION/DISPLACEMENT (570.606)

Grantees of HUD funding are required to certify and assure that all reasonable steps will be taken to minimize the displacement of persons, families, businesses, non-profit organizations, and farms from their homes or place of business as a result of activities undertaken by the grantee, such as rehabilitation or demolition activities. The grantee must adopt an anti-displacement and relocation plan that the jurisdiction will follow in cases where relocation is necessary.

See HUD Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition on HUD's website for further information and requirements on relocation/displacement.

EQUAL OPPORTUNITY (570.607)

CDBG regulations stale that no person shall be subject to discrimination under any program funded in whole or in part by CDBG funds. CDBG grantees/sub-grantees must take measures to ensure non-discriminatory treatment, outreach and access to program resources. This applies to employment and contracting, as well as to marketing and selection of program participants.

The Office of Fair Housing and Equal Opportunity also enforces federal laws to create equal housing opportunities for all persons. HUD implements and enforces the Fair Housing Act, the Civil Rights Act, the Housing and Community Development Act and others to ensure equal opportunity.

LEAD-BASED PAINT (570.608)

Grantees are required to identify and mitigate lead hazards when undertaking housing rehabilitation or homeownership activities for homes built before 1978. These regulations must be carefully followed to ensure that exposure to lead hazards is reduced in any residential property to be rehabilitated or purchased. The regulation can be found at http://portal.hud.gov/hudportal/HUD?src=/programoffices/healthy_homes/enforcement/lshr.

SECTION 504/REASONABLE ACCOMMODATION

Recipients are required to take affirmative steps to ensure that qualified persons with disabilities are informed of the availability of program services and activities, and the Recipient's activities or services are readily accessible to, and usable by, individuals with disabilities. Recipients must provide handicapped persons with benefits and services that are as effective as those provided to non-handicapped individuals. They must ensure that CDBG programs and activities are accessible, both structurally and administratively, to handicapped and disabled persons. Recipients are responsible for providing access to handicapped/disabled persons in four areas:

communications, employment opportunities, program benefits, and physically accessible housing. Section 504 regulations can be found on HUD's website at http://www.hud.gov/offices/fheo/disabilities/index.cfm.

LIMITED ENGLISH PROFICIENCY

HUD funded recipients should ensure that if working with Limited English Proficient (LEP) populations that guidance is provided to make sure that LEP persons have sufficient access to HUD programs and activities.

For further information on Limited English Proficiency please see HUD's website at http://www.hud.gov/offices/fheo/promotingfh/lep.cfm.

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14. APPENDICES

THE LOS ANGELES HUD FIELD OFFICE

300 North Los Angeles Street
Suite 4054
Los Angeles, California 90012

Phone: (213) 894-8000
Fax: (213) 894-8107

Laurie Cannady Udit, Field Office Director
Region IX, San Francisco

HUD WEB SITE

http://www.hud.gov

TRAINING

"Basically CDBG" Course Training Manual
http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/training/basicallycdbg

HUD EXCHANGE – CDBG: COMMUNITY DEVELOPMENT BLOCK GRANTS

CDBG: Community Development Block Grants
https://www.hudexchange.info/programs/cdbg/

THE CODE OF FEDERAL REGULATIONS (CFR)

https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr570_main_02.tpl

PROGRAM RELATED DOCUMENTS

Request for Reimbursement
Public Service Application
Subgrantee On-Site Monitoring Checklist
Determination of Exemption
Determination of Categorical Exclusion

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REQUEST FOR REIMBURSEMENT

City of Montebello
Community Development Block Grant

REQUEST FOR REIMBURSEMENT

NON-PROFIT NAME:	
ADDRESS:	
CITY, STATE, ZIP:	

DATE OF INVOICE	DESCRIPTION (ITEMIZED INVOICES & EXPENSES)	AMOUNT DUE
		TOTAL: **$**

NOTE: Please attach proof of expenditure: receipts, invoices, statements, program requirement data, etc. The City will not process any reimbursement request without proof of expenditure. In addition to this form, please submit an original invoice to the City of Montebello. Invoice should have your company logo, address, and contact information for remittance.

Acknowledgement and Disclaimer

I certify that this nonprofit has not previously billed the City of Montebello for the costs covered in this invoice.

Signature: _____ _____
Name & Title Date

When completed mail original form and if necessary fax form to meet payment deadline:
City of Montebello, Economic Development Dept., 1600 West Beverly Boulevard, Montebello, CA 90640.

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PUBLIC SERVICE APPLICATION

City of Montebello
Community Development Block Grant
Fiscal Year XXXX-XXXX

PUBLIC SERVICE APPLICATION

DEADLINE
Applications must be submitted to the (Name) by 5:00 p.m. on (Date).
Late applications will not be accepted.

REQUIRED REVIEW
Prior to submitting a proposal, it is required that you review "Playing by the Rules: A Handbook for CDBG Sub-recipients on Administrative Systems". Please pay special attention to chapters two and five. The handbook can be located at the following link:
https://www.hudexchange.info/resource/687/playing-by-the-rules-a-handbook-for-cdbg-subrecipients-on-administrative-systems/

REQUIRED DOCUMENTS
Please submit the following information along with your completed application by the abovementioned deadline.

- ☐ Completed and Signed Application – Parts I-VI
- ☐ Articles of Incorporation
- ☐ Non-Profit Determination – 501(c)3 IRS Letter
- ☐ List of Board of Directors
- ☐ Organizational Chart
- ☐ Most Recent Audited Financials
- ☐ Resumes of Key Administrators
- ☐ Job Descriptions for Personnel/Positions Listed in Application
- ☐ Most Recent Certificates of Insurances
- ☐ System for Award Management Report – www.sam.gov. Search and save as PDF.

CONTACT
If you have any questions regarding the City of Montebello's 2018-2019 Community Development Block Grant (CDBG) funded program, please contact:

Contact	Aknesa Ananikyan, Senior Management Analyst
Phone	(323) 887-1200
Email	aananikyan@cityofmontebello.com

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I. APPLICANT AND PROJECT/ACTIVITY INFORMATION

Legal Name of Organization/Agency	
Program/Activity Title	
Physical Address	
City, State, ZIP	

Type of Organization	Choose type
Tax ID	
DUNS Number	
Name of Workers' Compensation Insurance (Government exempt)	
Coverage Amount	
Expiration Date	Choose date
Name of General Liability and Property Damage Insurance (Government exempt)	
Coverage Amount	
Expiration Date	Choose date

Name of Applicant Contact	
Title	
Mailing Address	
City, State, ZIP	
Email	
Phone	
Fax	

Amount of CDBG Funds Requested ($)		
Approximate Total Number of Unduplicated Beneficiaries (Persons or Households) to be Served		
Type of Beneficiary	Choose type	
Groups that the Program/Activity will Serve (Check all that apply)	☐ Youth ☐ Adults ☐ Seniors ☐ Homeless Persons ☐ Disabled Persons ☐ Battered Spouses	☐ Abused/Neglected Children ☐ Households ☐ Community ☐ Housing Units ☐ Public Facilities ☐ Businesses

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II. CDBG ELIGIBILITY

CDBG Eligible Activity Categories Please choose the CDBG Eligible Activity Category for your proposed project.	☐ **Public Service.** Improves community public services and facilities, including but not limited to those concerned with employment, fair housing and homeownership, homelessness, crime prevention, child care, health, drug abuse, education or recreational needs. ☐ **Public Facilities/Improvements** ☐ **Housing/Special Activities by Subrecipients** ☐ **Economic Development** ☐ **Acquisition and/or rehabilitation of real property** ☐ **Other.** Click to specify
CDBG National Objective Compliance Your proposed project/activity must meet at least one of HUD's CDBG National Objectives. Please check all that apply to your proposal.	☐ Benefits Low and Moderate Income (LMI) Individuals/Households. ☐ Addresses the prevention or elimination of slums or blight. ☐ Community development needs having a particular urgency.
Meetings National Objectives Check all statements that describe how your proposed project/activity meets one of the National Objectives above:	☐ **Low/Moderate Area Benefit** – The project serves only a limited area which is proven by current Census data or survey to be a low-income area. By choosing this category you must be able to prove your project/activity primarily benefits low/moderate income households. ☐ **Low/Moderate Limited Clientele** – The project/activity benefits a specific group of people (rather than all areas in a particular area), at least 51% of whom are low/moderate income persons. Income verification for clients must be provided for this category. The following groups are presumed to be low/moderate: abused children, elderly persons (62 or older), battered spouses, homeless persons, adults meeting the Census definition of severely disabled, illiterate adults, persons living with AIDS and migrant farm workers. ☐ **Slum or Blight on an Area Basis** – Area basis activities must be within an officially designated area as defined under State or local law, and addresses one or more of the conditions that contributed to the deterioration of the area. ☐ **Urgent Needs** – Meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs. (These types of projects are very rare).

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III. PROJECT NARRATIVE

PROJECT/PROGRAM DESCRIPTION. Briefly describe the proposed service/activity/project to be carried out with the funds requested.

COMMUNITY NEED. Does your proposed project/activity address an identified gap in service or current need in the community? Document the need for the project/program.

BENEFIT. Discuss how the project/program provides benefit to low-income persons.

COLLABORATION. Has your organization/agency developed this project in collaboration with other groups/organizations? If so, please list the groups/organizations and describe their roles in this project.

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SIMILAR RESOURCES. Is a similar service provided by another agency/organization? If so, how will your program/activity differ?

OUTREACH. Discuss outreach efforts for the proposed service/activity/project.

PERFORMANCE SCHEDULE. Prepare a Work Plan for implementation/completion of the services and activities. Identify activities and completion dates below.

Activity	**Completion Date**
	Choose date
	Choose date
	Choose date
	Choose date
	Choose date
	Choose date

OTHER SOURCES OF FUNDS. List all other funding sources that will be used to undertake the proposed project/program and status of each source.

Source Name	**Committed or Pending**	**Fund Amount ($)**	**Current Status**
	Choose type		
	Choose type		
	Choose type		
	Choose type		

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IV. PROPOSED PUBLIC SERVICE BUDGET

Scope of work and use of CDBG funds must be directly related. The CDBG funds requested must be used to provide a direct benefit/service to low- or moderate-income residents of the City of Montebello. Proof of income eligibility and current residence must be acquired from all recipients. Adequate documentation must also be provided by the Agency to support costs associated with the services provided. This includes such support as timesheets to demonstrate the amount of time spent on each service, cancelled checks to demonstrate payment, client intake forms to demonstrate who received the service and any other documentation deemed necessary to show a direct correlation between the service provided and the costs associated with them.

Please use the following format to present your proposed line item budget:
Column A: List the items for which you anticipate the need for CDBG Funds during FY 2018-19.
Column B: Provide the projected request for CDBG funds.
Column C: Provide the total of other funds to be used.
Column D: List the name of the other funding source.
Column E: List the total line budget. Please round your request to the nearest ten.

Column A	Column B	Column C	Column D	Column E
BUDGET ITEM	**CDBG REQUEST ($)**	**OTHER SOURCES ($)**	**NAMES OF OTHER SOURCES**	**TOTAL BUDGET ($)**
Personnel*				
Job Title	Amount	Amount	Name	Total
Job Title	Amount	Amount	Name	Total
Job Title	Amount	Amount	Name	Total
Job Title	Amount	Amount	Name	Total
Contract Services	Amount	Amount	Name	Total
Total	**Total**	**Total**		**Total**
Non-Personnel				
Rent/Lease	Amount	Amount	Name	Total
Supplies	Amount	Amount	Name	Total
Utilities	Amount	Amount	Name	Total
Equipment	Amount	Amount	Name	Total
Services	Amount	Amount	Name	Total
Printing	Amount	Amount	Name	Total
Admission/Enrollment	Amount	Amount	Name	Total
Other: Specify	Amount	Amount	Name	Total
Other: Specify	Amount	Amount	Name	Total
Total	**Total**	**Total**		**Total**
TOTAL PROJECT BUDGET	**Total**	**Total**		**Total**

*For personnel, complete the following CDBG-Funded Personnel Tables.

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CDBG-FUNDED PERSONNEL

☐ Check this box if CDBG funds will NOT be used to fund personnel.

If CDBG funds will be used to fund personnel, complete the following tables, as appropriate. Only list personnel that will be paid with CDBG funds.

AGENCY ADMINISTRATION

Job Title	Annual Salary ($)	Annual Benefits ($)	Total Compensation ($)	CDBG Funds Budgeted ($)	Time Position is Dedicated to CDBG Activity (%)
Job Title	Amount	Amount	Amount	Amount	Percent
Job Title	Amount	Amount	Amount	Amount	Percent
Job Title	Amount	Amount	Amount	Amount	Percent
Job Title	Amount	Amount	Amount	Amount	Percent
Job Title	Amount	Amount	Amount	Amount	Percent

PROPOSED PROGRAM STAFF

Job Title	Annual Salary ($)	Annual Benefits ($)	Total Compensation ($)	CDBG Funds Budgeted ($)	Time Position is Dedicated to CDBG Activity (%)
Job Title	Amount	Amount	Amount	Amount	Percent
Job Title	Amount	Amount	Amount	Amount	Percent
Job Title	Amount	Amount	Amount	Amount	Percent
Job Title	Amount	Amount	Amount	Amount	Percent
Job Title	Amount	Amount	Amount	Amount	Percent

KEY PERSONNEL DUTIES. Provide a list of the duties of key personnel listed above.

Job Title	Duties

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COST RATIONALE. If you consider necessary, explain why you consider your program/activity costs to be reasonable.

PROGRAM CHANGES. If you received CDBG funding last year, has there been an increase in service that you will provide during FY 2018-2019? Explain why there is a new demand or an unmet need in the community for this service.

IMPACT OF NO CDBG FUNDING. Describe the effect of partial or no CDBG funding on your project/activity.

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V. CONFLICT OF INTEREST QUESTIONNAIRE

Federal, State, and City law prohibits employees and public officials of the City of Montebello from participating on behalf of the City in any transaction in which they have a financial interest.

This questionnaire must be completed and submitted by each applicant for CDBG program funding. The purpose of this questionnaire is to determine if the applicant, or any of the applicant's staff, or any of the applicant's Board of Directors would be in conflict of interest.

1. Is there any member(s) of the applicant's staff or governing body who is or has been, within one year of the date of this questionnaire, (a) a City Employee or (b) a City Councilmember?

   ☐ Yes ☐ No

   If Yes, please list the name(s) and information requested below:

Name of Person	Job Title	Relationship	City Department
		Choose type	
		Choose type	
		Choose type	

2. Will the CDBG funds requested by the applicant be used to award a subcontract to any individual(s) or business affiliate(s) who is currently or has been, within one year of the date of this questionnaire, (a) a City Employee or Consultant or (b) a City Councilmember?

   ☐ Yes ☐ No

   If Yes, please list the name(s) and information requested below:

Name of Person	Job Title	Relationship	City Department
		Choose type	
		Choose type	
		Choose type	

3. Is there any member(s) of the applicant's staff or member(s) of the applicant's Board of Directors or other governing body who are business partners or family members of (a) a City Employee or (b) a City Councilmember?

   ☐ Yes ☐ No

   If Yes, please list the name(s) and information requested below:

Name of Person	Relationship	Tie	If Family, Indicate Relationship
	Choose type	Choose type	
	Choose type	Choose type	
	Choose type	Choose type	

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VI. SIGNATURES

Authorized Signature
To the best of my knowledge, the information provided on this application is true, and I am authorized to submit this application on behalf of the applicant agency.

Print Name	Title
Signature	Date

Authorized Signature
I have read "Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems" with special attention to chapters two and five.

Print Name	Title
Signature	Date

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SUBGRANTEE ON-SITE MONITORING CHECKLIST

SUB-RECIPIENT ON-SITE MONITORING CHECKLIST
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Sub-recipient Name: _____
Project Name/Agreement No.: _____
Project Director: _____

In-house review and general oversight conducted on: _____
On-site monitoring visit(s) conducted on: _____

Monitoring letter sent on: _____
Follow-up monitoring visit conducted/letter sent on: _____

A. National Objective and Eligibility

1. Which National Objective does this project meet (570.208)*?

   Benefit to Low- and Moderate-Income Persons
   ____ Low/Mod Area Benefit
   ____ Limited Clientele Benefit
   ____ Low/Mod Housing Benefit
   ____ Job Creation or Retention

   Aid in the Prevention or Elimination of Slums or Blight
   ____ on an Area Basis
   ____ on a Spot Basis

   An Urgent Need
   ____ Needs having a Particular Urgency

2. Which eligibility category does the project meet? (570.201-6)?

B. Conformance to the Sub-Recipient Agreement

1. Contract Scope of Services – Is the full scope of services listed in the Agreement being undertaken? List any deviation.

2. Levels of Accomplishments – Compare actual accomplishments at the point of monitoring with planned accomplishments. Is the project achieving the expected levels of performance (number of persons served, number of units rehabbed, etc.) and reaching the intended client group? Explain any problem the sub-recipient may be experiencing. **Acknowledge major accomplishments.**

3. Time of Performance – Is the work being performed in a timely manner (i.e., meeting the schedule as shown in the Agreement)? Explain.

4. Budget – Compare actual expenditures versus planned expenditures. Verify maximum budget has not been exceeded and ensure all expenditures have occurred during the performance period. Note any discrepancies or possible deviations.

5. Requests for Payment – Are requests for payment being submitted in a timely manner and are they consistent with the level of work accomplished? Is program income properly accounted for and recorded? Explain.

6. Progress Reports – Have progress reports been submitted with payment requests (where required) on time and were they complete and accurate?

7. Special Conditions – Does the project conform to any special terms and conditions included in the Sub-Recipient Agreement? Explain.

C. Record-Keeping Systems (570.506)

Records should demonstrate that each activity undertaken meets the criteria for National Objectives compliance. Such records should be found in both the grantee's project file and the sub-recipient file.

1. Filing System – Are the sub-recipient's files orderly, comprehensive, secured for confidentiality where necessary, and up-to-date? Note any areas of deficiency.

2. Documentation (activities, costs and beneficiaries) – Do the HCD project file and sub-recipient records have the necessary documentation supporting the National Objective being met, eligibility, and program costs as they relate to 570.506? Do the project files support the data the sub-recipient has provided for the CAPER? (i.e. Income verification documents for all assisted clients).

    a. Are minutes of the Board Meetings available for review?

3. Record Retention – Is there a process for determining which records need to be retained and for how long? Have records been retained as required by the Agreement?

4. Site Visit (where applicable) – Is the information revealed by a site visit consistent with the records maintained by the sub-recipient and with data previously provided to the grantee? Explain any discrepancies.

    a. Is the project manager located on-site and running the day-to-day operations? Does the staff seem fully informed about program requirements and project expectations? Explain.

    b. Is the project accomplishing what it was designed to do? Explain any problems.

D. Financial Management Systems [85.20 (local governments) and 84.21–28 (non-profits)]

1. Systems for Internal Control – Are systems in compliance with accounting policies and procedures for cash, real and personal property, equipment and other assets (85.20(b)(3) and 84.20(b)(3))?

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2. Components of a Financial Management System – Review the chart of accounts, journals, ledgers, reconciliation, data processing, and reporting system. Note any discrepancies.

3. Accounting – Compare the latest performance report, drawdown requests, bank records, payroll records, receipts/disbursements, etc. Note any discrepancies.

4. Eligible, Allocable, and Reasonable Costs – See OMB Circulars A-87, A-122. Pay particular attention to the time distribution records where the sub-recipient has employees who work on both CDBG and non-CDBG funded activities. Note any discrepancies.

5. Cash Management/Drawdown Procedures – See Treasury Circular 1075, 85.20(b)(7), and 84.20. Has all cash been promptly drawn down and deposited? Are all drawdowns of Federal funds properly recorded? Note any discrepancies.

6. Management of Program Income – If the sub-recipient generates program income, refer to 570.504 and the Sub-Recipient Agreement about its use. Note any discrepancies.

7. IPA Audit Reports/Follow-up – (OMB Circular A-133) Determine if the sub-recipient has expended $500,000 or more in Federal funds for the subject program year.

   IPA Audit Required: Yes ____ No ____ N/A ____
   Date Conducted: _____

   Any findings related to CDBG activity? Status? Explain.

8. Maintenance of Source Documentation – (85.20(b) and 84.20(b)) Note any discrepancies in sample records, invoices, vouchers and time records traced through the system.

9. Budget Control – Do actual expenditures match the line item budget? Refer to 85.20(b)(4) and 84.20. Note any discrepancies.

E. Insurance

1. Has the sub-recipient submitted a current copy of its Certificate of Insurance?

2. Is the City named as an additional insured?

3. Workers Compensation-Has the sub-recipient submitted proof of Worker's Compensation for all of its employees involved in the performance of this Agreement?

F. Procurement

1. Procurement Procedures – Do the procedures the sub-recipient uses for procurement of goods and services meet CDBG requirements? Review a sample number of procurements.

2. Conflict of Interest – How does the sub-recipient assure there was no conflict of interest, real or apparent? Review the process and comment.

G. Equipment and Real Property

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1. Has the sub-recipient acquired or improved any property it owns in whole or in part with CDBG funds in excess of $25,000? If yes, review for compliance with 570.503(b)(7).

2. Has the sub-recipient purchased equipment with CDBG funds in excess of $1,000? Does the sub-recipient maintain the records required at 84.34?

3. Has a physical inventory taken place and the results reconciled with property records within the last two years?

4. If the sub-recipient disposed of equipment/property that was purchased with Federal funds within the last five years:

    a. Were proceeds from the sale reported as program income?
    b. Did the grantee approve expenditure of program income?
    c. Was the program income returned to the grantee?

H. Non-Discrimination and Actions to Further Fair Housing

1. Equal Employment Opportunity – Refer to 570.506, 601 and 602. Note any deficiencies.

2. Section 3 – Opportunities for Training and Employment for Local Residents – Refer to 570.506(g)(5) and 570.607(a) (affirmative action). Note any deficiencies.

    a. Has the required Section 3 language been included in all subcontract agreements as required on p.12 (3)(a) of the prime sub-recipient agreement with the City?

3. Fair Housing Compliance – Refer to 570.904 and 570.601(b). Note any deficiencies.

4. Requirements for Disabled Persons – Refer to 8.6. Note any concerns.

5. Women and Minority Business Enterprises – Refer to 570.506(g), 85.36(e), and 84.44, affirmative steps documentation. Note any concerns.

6. Affirmative Action – Has the sub-recipient submitted a plan for an Affirmative Action Program for approval prior to the award of funds? (See p.10 (B)(1) of City/Sub-recipient agreement).

I. City/Sub-recipient Agreement Compliance

A. City Recognition - Verify sub-recipient has recognized the role of the City in providing services through the agreement. All activities, facilities and items utilized pursuant to this agreement shall be prominently labeled as to funding source.

B. Staffing - Have there been any changes to key personnel assigned or their general responsibilities under this project? Were they approved prior to implementation as required by the Agreement?

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C. Notification - Was each labor union and representative of workers with which the sub-recipient has a collective bargaining agreement or other contract or understanding, notified of the sub-recipient's commitments as provided in the Agreement?

D. Subcontracts and Assignability – Has the sub-recipient obtained approval for all subcontracts with any agency or individual created in relation to the performance of the agreement?

   a. Have all of the provisions of the original sub-recipient agreement been included in all subcontract agreements?

   b. Have all subcontractors been monitored on a regular basis as required?

J. Conclusion and Follow-up

1. Is the sub-recipient meeting the terms of the Sub-Recipient Agreement and HUD regulations? Discuss both positive conclusions and any weaknesses identified.

2. Identify any follow-up measures to be taken by the grantee and/or the sub-recipient as a result of this monitoring review.

   a. List the required schedule for implementing corrective actions or making improvements.

   b. List the schedule for any needed technical assistance or training and identify who will provide the training.

Project Monitor _____ Date _____

DRAFT

DETERMINATION OF EXEMPTION

ENVIRONMENTAL REVIEW FOR ACTIVITY/PROJECT THAT IS EXEMPT OR CATEGORICALLY EXCLUDED NOT SUBJECT TO SECTION 58.5

Pursuant to 24 CFR Part 58.34(a) and 58.35(b)

DRAFT

Project Information

Project Name:

Responsible Entity:

Grant Recipient (if different than Responsible Entity):

State/Local Identifier:

Preparer:

Certifying Officer Name and Title:

Consultant (if applicable):

Project Location:

Description of the Proposed Project [24 CFR 58.32; 40 CFR 1508.25]**:**

Level of Environmental Review Determination:

☐ Activity/Project is Exempt per 24 CFR 58.34(a): _____

☐ Activity/Project is Categorically Excluded Not Subject To §58.5 per 24 CFR 58.35(b): _____

Funding Information

Grant Number	HUD Program	Funding Amount

Estimated Total HUD Funded Amount:

This project anticipates the use of funds or assistance from another Federal agency in addition to HUD in the form of (if applicable)**:**

Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]**:**

Compliance with 24 CFR §50.4 and §58.6 Laws and Authorities

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR 50.4 and 58.6	Are formal compliance steps or mitigation required?	Compliance determinations
STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR §58.6		
Airport Runway Clear Zones and Accident Potential Zones 24 CFR Part 51 Subpart D	Yes ☐ No ☐	
Coastal Barrier Resources Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]	Yes ☐ No ☐	
Flood Insurance Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]	Yes ☐ No ☐	

Mitigation Measures and Conditions [40 CFR 1505.2(c)]

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Law, Authority, or Factor	Mitigation Measure

Preparer Signature: _____ Date: _____

Name/Title/Organization: _____

Responsible Entity Agency Official Signature:

_____ Date: _____

Name/Title: _____

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).

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DETERMINATION OF CATEGORICAL EXCLUSION

Environmental Review for Activity/Project that is Categorically Excluded Subject to Section 58.5

Pursuant to 24 CFR 58.35(a)

Project Information

Project Name:

Responsible Entity:

Grant Recipient (if different than Responsible Entity):

State/Local Identifier:

Preparer:

Certifying Officer Name and Title:

Grant Recipient (if different than Responsible Entity):

Consultant (if applicable):

Direct Comments to:

Project Location:

Description of the Proposed Project [24 CFR 50.12 & 58.32; 40 CFR 1508.25]**:**

Level of Environmental Review Determination:

Categorically Excluded per 24 CFR 58.35(a), and subject to laws and authorities at §58.5:_____

Funding Information

Grant Number	HUD Program	Funding Amount

DRAFT

Estimated Total HUD Funded Amount:

Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]**:**

Compliance with 24 CFR 50.4, 58.5, and 58.6 Laws and Authorities

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 & 58.6		
Airport Hazards 24 CFR Part 51 Subpart D	Yes ☐ No ☐	
Coastal Barrier Resources Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]	Yes ☐ No ☐	
Flood Insurance Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]	Yes ☐ No ☐	
STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 & 58.5		
Clean Air Clean Air Act, as amended, particularly section 176(c) & (d); 40 CFR Parts 6, 51, 93	Yes ☐ No ☐	
Coastal Zone Management Coastal Zone Management Act, sections 307(c) & (d)	Yes ☐ No ☐	
Contamination and Toxic Substances 24 CFR Part 50.3(i) & 58.5(i)(2)	Yes ☐ No ☐	
Endangered Species	Yes ☐ No ☐	

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Endangered Species Act of 1973, particularly section 7; 50 CFR Part 402		
Explosive and Flammable Hazards 24 CFR Part 51 Subpart C	Yes ☐ No ☐	
Farmlands Protection Farmland Protection Policy Act of 1981, particularly sections 1504(b) and 1541; 7 CFR Part 658	Yes ☐ No ☐	
Floodplain Management Executive Order 11988, particularly section 2(a); 24 CFR Part 55	Yes ☐ No ☐	
Historic Preservation National Historic Preservation Act of 1966, particularly sections 106 and 110; 36 CFR Part 800	Yes ☐ No ☐	
Noise Abatement and Control Noise Control Act of 1972, as amended by the Quiet Communities Act of 1978; 24 CFR Part 51 Subpart B	Yes ☐ No ☐	
Sole Source Aquifers Safe Drinking Water Act of 1974, as amended, particularly section 1424(e); 40 CFR Part 149	Yes ☐ No ☐	
Wetlands Protection Executive Order 11990, particularly sections 2 and 5	Yes ☐ No ☐	
Wild and Scenic Rivers Wild and Scenic Rivers Act of 1968, particularly section 7(b) and (c)	Yes ☐ No ☐	
ENVIRONMENTAL JUSTICE		
Environmental Justice Executive Order 12898	Yes ☐ No ☐	

Field Inspection (Date and completed by)**:**
Summary of Findings and Conclusions:

Mitigation Measures and Conditions [40 CFR 1505.2(c)]

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into

project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Law, Authority, or Factor	Mitigation Measure

Determination:

☐ This categorically excluded activity/project converts to Exempt, per 58.34(a)(12) because there are no circumstances which require compliance with any of the federal laws and authorities cited at §58.5. **Funds may be committed and drawn down after certification of this part** for this (now) EXEMPT project; OR

☐ This categorically excluded activity/project cannot convert to Exempt because there are circumstances which require compliance with one or more federal laws and authorities cited at §58.5. Complete consultation/mitigation protocol requirements, **publish NOI/RROF and obtain "Authority to Use Grant Funds"** (HUD 7015.16) per Section 58.70 and 58.71 before committing or drawing down any funds; OR

☐ This project is now subject to a full Environmental Assessment according to Part 58 Subpart E due to extraordinary circumstances (Section 58.35(c)).

Preparer Signature: _____Date: _____

Name/Title/Organization: _____

_____

Responsible Entity Agency Official Signature:

_____Date: _____

Name/Title: _____

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).

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15. GLOSSARY

GLOSSARY OF ACRONYMS

AI	Analysis of Impediments to Fair Housing Choice
AMI	Area Median Income
CAPER	Consolidated Annual Performance and Evaluation Report
CBDO	Community-Based Development Organization
CDBG	The Federal Community Development Block Grant Program
CDF	Community Development Fund
CFR	Code of Federal Regulations. Also referred to as "the regs"
CHAS Data	Comprehensive Housing Affordability Strategy
CPD	The Office of Community Planning and Development
CPMP Tool	Consolidated Plan Management Process tool
CPP	Citizen Participation Plan
EA	Environmental Assessment
EIS	Environmental Impact Statement
ESG	The federal Emergency Shelter Grant program
FONSI	Finding of No Significant Impact
GMP System	Grants Management Process System
GPO	Government Printing Office (online access to CFRs)
HOME	HOME Investment Partnership Program
HOPWA	The federal Housing Opportunity for Persons With AIDS
HUD	The federal Department of Housing and Urban Development
IDIS	Integrated Disbursement and Information System
LEP	Limited English Proficient
LMA	Low- and Moderate-Income Area
LMI	Low- and Moderate-Income
LOCCS	Line of Credit Control System. Also referred to as "locks".
MRER	Minor Rehabilitation Environmental Review
NEPA	National Environmental Policy Acts
NRSA	Neighborhood Revitalization Strategic Area
OMB	The Federal Office of Management and Budget
PHA	Public Housing Agency
RFP/RFQ	Request for Proposals/Request for Qualifications
RLF	Revolving Loan Fund
RROF	Request for Release of Funds

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1600 W. BEVERLY BLVD
MONTEBELLO, CA 90640

EWA# 3396273

COPY OF NOTICE

Notice Type: HRG NOTICE OF HEARING

Ad Description
NOTICE OF PUBLIC HEARING Wednesday September 23 2020

To the right is a copy of the notice you sent to us for publication in the MONTEBELLO NEWS. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

09/10/2020

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

Publication	$750.00
Total	$750.00

NOTICE OF PUBLIC HEARING
CITY OF MONTEBELLO CITY COUNCIL
NOTICE TO RECEIVE THE DRAFT FIVE-YEAR CONSOLIDATED PLAN, COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIP PROGRAM, ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE, ANNUAL ACTION PLAN, AND CITIZEN PARTICIPATION PLAN

NOTICE IS HEREBY GIVEN that the City Council of the City of Montebello ("City") will conduct a public hearing to receive the draft Five-Year Consolidated Plan for the allocation of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) program funds, the draft Analysis of Impediments to Fair Housing Choice, the 2020-2021 Annual Action Plan, and the Citizen Participation Plan. As an entitlement jurisdiction, the City is required by the United States Department of Housing and Urban Development (HUD) to complete the Consolidated Plan and Analysis of Impediments to Fair Housing Choice every five years.

It is also noticed that from September 14th to September 23rd the draft Five-Year Consolidated Plan inclusive of the 2020-2021 Annual Action Plan, the draft Analysis of Impediments to Fair Housing Choice, and the draft Citizen Participation Plan may be reviewed at the following locations.

Montebello City Hall – Lobby
1600 W. Beverly Blvd.
Montebello, CA 90640

City of Montebello Website – Homepage
https://www.CityOfMontebello.com

PUBLIC HEARING INFORMATION:
Date: Wednesday, September 23, 2020
Time: 6:30 p.m. or as soon thereafter as the matter may be heard
Place: City Hall Council Chambers, 1600 W. Beverly Blvd., Montebello, CA 90640

PROJECT DESCRIPTION: Each year, HUD provides funding for housing and community development programs to the City, specifically CDGB and HOME Program funds. In order to receive these funds, the City must complete a report every three to five years called the Consolidated Plan (ConPlan).

The purpose of the ConPlan is to identify Montebello's housing and community development needs, priorities, goals, and strategies and to stipulate how funds will be allocated to housing and community development activities over the next five years. The CDBG Program provides federal funds for local improvement projects and programs. Activities assisted with CDBG funds must meet one of the three national objectives: (1) principally benefit low and moderate-income persons, (2) aid in the prevention or elimination of slums and blight, or (3) meet other community development needs having particular urgency. The HOME Program provides formula grants - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

- **The Consolidated Plan** is a HUD required plan assessing affordable housing and community

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development needs for the next five-year 2020-2025 period. The ConPlan determines how HUD funds will be used.

- **The Analysis of Impediments to Fair Housing Choice** is a review of policies, procedures, and practices within the community that affect the location, availability and accessibility of housing and current residential patterns and conditions related to fair housing choice.

- **The Annual Action Plan** is submitted to HUD on an annual basis and identifies how the City plans to use the federal money during the next fiscal year to meet the goals and objectives approved by the City Council in the Five-Year ConPlan.

- **The Citizen Participation Plan** sets forth the City of Montebello's policies and procedures for citizen participation in the development of the ConPlan documents and any subsequent amendments.

For Fiscal Year (FY) 2020-2021, the City expects to receive approximately $665,346 in CDBG funds and approximately $258,317 in HOME funds. Additionally, $493,785 in CDBG Program Income and $143,853 in HOME Program Income is available, as well as $420,431 of unused CDBG funds that will be carried over from previous years.

Total funding available for FY 2020-2021:

CDBG Funds: $1,579,562
HOME Funds: $402,170

The City also received special HUD funding in response to the COVID 19 pandemic (CDBG-CV) in the amount of $391,402.

Public Review and Comment Period: The Draft 2020-2025 Consolidated Plan which includes the Draft Fiscal Year 2020-2021 Annual Action Plan, Draft 2020 Analysis of Impediments to Fair Housing Choice, and Citizen Participation Plan will be available for public review and comment beginning on September 14, 2020 and ending on September 23, 2020. These documents will be available for public review on the City of Montebello's website at https://www.cityofmontebello.com . During the comment period, comments and/or questions may be submitted to:

Planning and Community Development Department
Attn: Aknesa Ananikyan, Senior Management Analyst
1600 W. Beverly Boulevard, Montebello, CA 90640
Office telephone: (323) 887-1200 ext. 402
Monday through Thursday, 7:30 A.M. to 5:30 P.M.

GENERAL INFORMATION: As authorized by the Governor's Executive Order No. N- 29-20, those interested in making public comments at the City Council meeting, may call on Wednesday, September 23, 2020 between 9:00 a.m. – 3:00 p.m. at (323) 887-1437. Staff will complete public comment cards in the order received. The public will be called during the City Council meeting. The exact call back time is not predictable due to the nature of the City Council agenda. As a result, you must be available until the end of the meeting to receive a live call from staff during the meeting. In addition, the City has created the following email address where the public can submit public comments from 4:30 p.m. – 5:30 p.m. on Wednesday, September 23, 2020: ccpubliccomment@cityofmontebello.com. These questions will be read out loud and submitted for the record. Written comments may also be mailed or delivered to the City Clerk's office address identified below. If you challenge the matter in court, you may be limited to raising those issues you or someone else raised at the public hearing, or in written correspondence delivered to the City of Montebello at, or prior to, the public hearing. This notice is provided in accordance with Government Code Sections 65867, 65090 and 65091. Public comments or questions about the subject matter may be submitted to the City Clerk's Office by mail, at 1600 W. Beverly Blvd., City of Montebello, or email at: lguzman@cityofmontebello.com. All communications to the City Clerk or the City Council regarding this matter are public records and will become part of the City's files and records.
9/10/20
EWA-3396273#
MONTEBELLO NEWS

ITEM #16

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Irma Barajas, City Clerk

SUBJECT: Conflict of Interest Code Biennial Update

DATE: September 23, 2020

RECOMMENDATION

It is recommended that the City Council adopt the following Resolution amending the Conflict of Interest Code for the City of Montebello in compliance with Government Code requirements.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, AMENDING THE CONFLICT OF INTEREST CODE FOR THE CITY OF MONTEBELLO IN ACCORDANCE WITH THE POLITICAL REFORM ACT

FACTS

The Political Reform Act (Government Code Section 87300) requires that the "code reviewing body," here, the City Council, adopt a Conflict of Interest Code for each of the local agencies within its jurisdiction and designate employee positions within each agency that should make disclosures of economic interests. Any position that makes or participates in making governmental decisions which may foreseeably have a material effect on his or her financial interest should be designated in the Conflict of Interest Code. It should be noted that other City officials, such as the City Council, City Manager, City Attorney and Planning Commissioners are required to disclose economic interests under Government Code Section 87200 and not the City's Conflict of Interest Code.

Government Code Section 87306.5 requires that the City review its Conflict of Interest Codes biennially (even-numbered years) to determine whether the Codes need to be revised or amended.

The City Council last amended the City of Montebello's Conflict of Interest Code in 2018 with the adoption of Resolution No. 18-109.

ANALYSIS

City staff reviewed the Code and prepared amendments for the City Council's consideration. Upon review, it was determined that the City's Conflict of Interest Code would need to be amended. The Disclosure Categories were amended to align more closely with the language of Government Code section 8730, as included in Appendix "B". Furthermore, the list of the current designated positions requiring disclosure are found in Appendix "A", attached to the Resolution.

ALTERNATIVES

Biennial review of the Conflict of Interest Codes is required by law.

FISCAL IMPACT

There is no fiscal impact to the City.

CONCLUSION

The City Attorney's Office has reviewed the Conflict of Interest Codes and amendments. It would be appropriate for the City Council to adopt a Resolution updating the Conflict of Interest Code for the City of Montebello.

ATTACHMENT(S):

Attachment A – Resolution.

ATTACHMENT A

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, AMENDING THE CONFLICT OF INTEREST CODE FOR THE CITY OF MONTEBELLO IN ACCORDANCE WITH THE POLITICAL REFORM ACT

WHEREAS, the Political Reform Act, Government Code Sections 81000 et seq., requires the City of Montebello to adopt, promulgate, and take action regarding the adoption of a Conflict of Interest Code; and

WHEREAS, the Fair Political Practices Commission has adopted Title 2, Division 6, California Code of Regulations, Section 18730, which contains the terms of a Standard Conflict of Interest Code, which can be incorporated by reference, and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings; and

WHEREAS, the Political Reform Act, Government Code Section 87306.5 requires every government agency to conduct biennial reviews of their Conflict of Interest Code; and

WHEREAS, the City Council last amended the City of Montebello's Conflict of Interest Code in 2018 with the adoption of Resolution No. 18-109; and

WHEREAS, the City Council approves and accepts City staff's completed review of the Conflict of Interest Code and recommended changes to same; and

WHEREAS, the City of Montebello wishes to amend previous Resolution No. 18-109, amending the existing Conflict of Interest Code for the City of Montebello.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTEBELLO AS FOLLOWS:

SECTION 2. **Amend.** The City of Montebello amends the City of Montebello Conflict of Interest Code.

SECTION 2. **Adoption.** In compliance with Government Code Section 87300, the terms of Regulation 2, California Code of Regulations, Section 18730 – The Standardized Conflict of Interest Code and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendices in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the City of Montebello (Exhibit "1"), which is considered the "Agency" within the purview of this Code.

SECTION 3. **Statements.** Designated employees shall file their statements with the City Clerk, who shall be and perform the duties of filing officer for the City of Montebello. Statements will be available for inspection and reproduction pursuant to Government Code section 81008.

SECTION 4. **Public Officials and Employees Designated.** Attached as Appendix "A" to this Resolution and incorporated by reference herein is the list of the Public Officials and Employees designated and covered by this code.

SECTION 5. **Disclosure Categories.** Attached as Appendix "B" to this Resolution and incorporated by reference herein are the Disclosure Categories of this code.

SECTION 2. **Savings Clause**. Any change provided for in this Conflict of Interest Code shall not affect or excuse any offense or act committed or done or omission or any penalty or forfeiture incurred or accruing under any other Conflict of

Interest Code; nor shall it affect any prosecution, suit, or proceeding pending or any judgment rendered in connection with any other Conflict of Interest Code.

SECTION 3. **Effective Date.** This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this resolution.

APPROVED AND ADOPTED on this __ day of _____ 2020.

_____
Salvador Melendez, Mayor

APPROVED AS TO FORM:

_____
Arnold M. Alvarez-Glasman
City Attorney

ATTEST:

_____
Irma Barajas, City Clerk

EXHIBIT 1

CONFLICT OF INTEREST CODE

CITY OF MONTEBELLO

SECTION 1. AUTHORITY. This code is adopted pursuant to and in compliance with Section 87300 of the California Government Code.

SECTION 2. STANDARDIZED CODE ADOPTED. The terms of Title 2, Division 6, California Code of Regulations, Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference, and along with the attached Appendix "A," in which officials and employees are specified and designated, and Appendix "B", in which disclosure categories are set forth, to constitute the Conflict of Interest Code of the City of Montebello which is considered the "Agency" within the purview of this Code.

The herein Conflict of Interest Code of the City of Montebello, so adopted, amends any Conflict of Interest Code of the City of Montebello, previously in effect, to conform to the herein newly adopted Code. All terms or words in this Conflict of Interest Code and in its Exhibits shall have such meanings as are associated hereto in the Political Reform Act, as amended from time to time.

SECTION 3. STATEMENTS. Designated employees shall file statements of economic interests with the City Clerk, who shall be and will perform the duties of filing officer for the City of Montebello. All newly designated employees shall file an initial statement within thirty days after the effective date of the herein Code. The annual statement of economic interests shall be duly filed no later than April 1 of each calendar year.

SECTION 4. EFFECTIVE DATE. This Code shall take effect immediately upon its approval by the City Council of the City of Montebello.

APPENDIX "A"

The following is a listing of those persons who are required to submit Statements of Economic Interests pursuant to the Political Reform Act of 1974, as amended:

Public Officials required to file disclosure statements:
Mayor
City Council
City Manager
City Clerk
City Attorney

Note: All the above are category 1 filers.

Commission members required to file disclosure statements:
Planning Commissioners
Civil Service Commissioners
Culture & Recreation Commission
Golf Commission
Traffic & Safety Commission

Note: All the above are category 1 filers.

Designated Position	**Disclosure Categories**
CLASSIFIED MANAGEMENT	
Fire Battalion Chief	1, 4
Fire Captain	1, 4
Police Captain	1, 4
Police Lieutenant	1, 4
CLASSIFIED NON-MANAGEMENT	
Account Clerk I	1, 4
Account Clerk II	1, 4
Engineering Technician	1, 4, 6
Finance Technician	1, 4
Fire Inspector I	1, 4
Storekeeper	1, 4, 6
Telecommunications Technician	1, 4
UNCLASSIFIED MANAGEMENT	
Accounting Manager	1, 4
Accounting Supervisor	1, 4
Administrative Management Analyst	1, 4

Assistant City Manager	1, 4, 6
Assistant Director Of Transportation	1, 4
Assistant Golf Course Superintendent	1, 4, 6
Assistant Tree Maintenance Supervisor	1, 4, 6
Building Official	1, 4, 6
Business Manager	1, 4
Chief Management Analyst	1, 4
Communications Management Analyst	1, 4
Community Services Supervisor	1, 4
Controller	1, 4
Deputy City Clerk	1, 4
Deputy Director	1, 4
Deputy Director of Planning & Community Development	1,4,6,7
Deputy Director of Recreation & Community Services	1, 4
Director Of Finance	1, 4, 6
Director Of Human Resources & Risk Management	1, 4, 6, 8, 9
Director Of Planning & Community Development	1, 4, 6, 7
Director Of Public Works	1, 4, 6
Director of Recreation & Community Services	1, 4
Director Of Transportation	1, 4, 6
Finance Services Supervisor	1, 4
Fire Chief	1, 4
Fire Marshal	1, 4
Deputy Fire Marshal	1, 4
General Services Manager	1, 4
Golf Course Superintendent/Facility Manager	1, 4, 6
Grants & Project Administrator	1, 4, 6
Information Systems Supervisor	1, 4
Park Maintenance Supervisor	1, 4, 6
Planning Manager	1, 6
Police Chief	1, 4
Public Works Manager	1, 4, 6
Revenue Supervisor	1, 4
Risk Management Analyst	1, 4, 6
Risk Manager	1, 4, 6
Senior Management Analyst	1, 4
Street Maintenance Supervisor	1, 4, 6
Telecommunications Supervisor	1, 4
Transit Administration Manager	1, 4
Transit Finance Supervisor	1, 4
Transit Operations Supervisor	1, 4
Tree Maintenance Supervisor	1, 4, 6
Vehicle Maintenance Manager	1, 4
UNCLASSIFIED NON-MANAGEMENT	
Accountant	1, 4
Administrative Secretary	1, 4
Code Enforcement Officer	1, 4, 6

HOURLY CLASSIFICATION Administrative Secretary Transportation Revenue Coordinator	 1, 4 1, 4
CONSULTANTS Consultant that make or participate in making government decisions shall disclose information required by Categories 1, and 4 herein, subject to the following limitation: The City Manager may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and this is not required to comply fully with the disclosure requirements described in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of the disclosure requirements. The City Manager’s determination is public record and shall be retained for public inspection in the same manner and location as this conflict of interest code.	1,4

APPENDIX "B"

DISCLOSURE CATEGORIES

Definition

"'Unit" as used in this text means the particular department, board, commission, office or other entity using the disclosure category.

Category

1. All investments, business positions, sources of income, including gifts, loans, and travel payments, and interests in real property located in the jurisdiction, including property located within a two-mile radius of any property owned or used by the City.

2. All investments, business positions and sources of income, including gifts, loans, and travel payments.

3. All interests in real property located in the jurisdiction, including property located within a two-mile radius of any property owned or used by the City.

4. All investments, business positions, and sources of income, including gifts, loans, and travel payments from sources that provide leased facilities, supplies, equipment, vehicles, machinery, or services, including training or consulting services of the type utilized by the City

5. All investments, business positions, and sources of income, including gifts, loans, and travel payments from sources that provide leased facilities, supplies, equipment, vehicles, machinery, or services, including training or consulting services of the type utilized by the employee's unit or area of authority.

6. All investments and business positions in business entities and income from sources engaged in construction, development, building or material supply, including public works projects.

7. All investments, business positions, and sources of income, including gifts, loans, and travel payments, or income from a nonprofit organization, if the source is of the type to receive grants or other monies from or through the City.

8. All investments and business positions in, and income from business entities or employment agencies which provide employment or pre-employment services. Services include, but are not limited to testing, training, consulting, job classification studies and salary surveys.

9. Investments and business positions in, and income from business entities which are the type to provide any of the various types of employee insurance coverage and/or actuarial services.

ITEM # 17

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Young-Gi Kim Harabedian, Director of Transportation

SUBJECT: **Approve the First Amendment to Agreement No. 3697 with Avail Technologies for Maintenance and Support of the Montebello Bus Lines' Intelligent Transportation System (ITS) and Fixed Route Passenger Information System**

DATE: September 23, 2020

RECOMMENDATIONS

It is recommended that the City Council:

1. Approve a first amendment to Agreement No. 3697, extending software maintenance services with Avail Technologies, Inc. ("Avail") for one-year with the Montebello Bus Line for its Intelligent Transportation System (ITS) and Fixed Route Passenger Information System; and

2. Authorize the City Manager and/or his Designee to execute the first amendment on behalf of the City.

3. Take such additional, related, action that may be desirable.

BACKGROUND

In October 2019, the City Council approved a software maintenance agreement (Agreement No. 3697) with Avail Technologies for ongoing Maintenance and Support of the Montebello Bus Lines' Intelligent Transportation System (ITS) and Fixed Route Passenger Information System. The Agreement was for an initial one-year term, with the option for renewal of up to four (4) one-year terms.

The scheduled cost for these services over five (5) years is estimated as follows: Year 1-$177,501; Year 2-$171,478; Year 3-$174,907; Year 4-$178,405; Year 5-$181,265; for a total cost not to exceed $884,265.

ANALYSIS

Under the authority of Agreement No. 3697, the City Council is being asked to consider extending the contract service with Avail for ongoing Maintenance and Support for MBL's Intelligent Transportation System (ITS) and Fixed Route Passenger Information System. The amendment shall be to exercise the option to extend the agreement by an additional one-year term from September 1, 2020 to August 31, 2021, and authorize the City Manager and/or his Designee to execute the first amendment on behalf of the City.

FISCAL IMPACT

The total cost for these services over five (5) years is to be $884,265. The payment schedule is as follows: Year 1-$177,501; Year 2-$171,478; Year 3-$174,907; Year 4-$178,405; Year 5-$181,265. The annual amount is included within the Transportation Department's Fiscal Year 2020-21 budget in account 600-90-910-6040.10 (Contract Services, Outside Contracts).

SUMMARY

That the City Council will consider approving a first amendment to Agreement No. 3697 with Avail for ongoing Maintenance and Support of MBL's Intelligent Transportation System (ITS) and Fixed Route Passenger Information System for an additional year (Year 2) and consider authorizing the City Manager, and/or his Designee, to execute the first amendment on behalf of the City.

ATTACHMENT(S):

A. Attachment A: First Amendment to Agreement No. 3697

ATTACHMENT A

FIRST AMENDMENT TO AGREEMENT NO. 3697 BY AND BETWEEN THE CITY OF MONTEBELLO AND AVAIL TECHNOLOGIES INC

This First Amendment to Agreement No. 3697 ("First Amendment") is made and entered into as of the ____th day of _____, 2020, by and between the City of Montebello, a municipal corporation duly organized and existing under the law of the State of California ("Agency"), and Avail Technologies, Inc., a Pennsylvania corporation ("Contractor"). Agency and Contractor are sometimes hereinafter referred to collectively as the "Parties."

RECITALS

WHEREAS, Agency and Contractor are Parties to that certain Agreement No. 3697 for Maintenance and Support of the Montebello Bus Lines Intelligent Transportation System Technology with an “Effective Date” of October 30, 2019 ("Agreement"), pursuant to which Agency contracted with Contractor to provide services as defined in the Agreement; and

WHEREAS, Article 22 ("Entire Agreement") of the Agreement allows for amendments to the Agreement by a writing executed by the Parties; and

WHEREAS, per Article 4 (“Term”) the Agreement commenced on the Effective Date and is valid for an initial one-year (1-year) term, with options to renew for up to four (4), additional, one-year terms; and

WHEREAS, the Parties each being mutually satisfied with the other's performance thereof, hereby desire to exercise one of the one-year (1-year) options as authorized by Articles 4 and 22 of the Agreement and as otherwise provided herein; and

WHEREAS, to exercise the option to extend the Agreement by an additional year, an amendment to the Term and Compensation (further defined below) is required.

NOW, THEREFORE, based upon the foregoing recitals, which the Parties agree are true and correct, and for good and adequate consideration the receipt and adequacy of which is acknowledged by the Parties, the Parties agree as follows:

AMENDMENTS

SECTION 1: RECITALS. The above-referenced Recitals constitute a material part hereof and shall hereby be incorporated by reference.

SECTION 2: EXTENSION OF TERM. Through this First Amendment, the Parties hereto agree to extend the term of Agreement from September 1, 2020 to August 31, 2021 ("First Extension"), as authorized under Article 4 of the Agreement.

SECTION 3: AMENDMENT TO COMPENSATION. Through this First Amendment, the Parties hereto also agree to amend the compensation due under Article 3 ("Compensation") of the Agreement for the purposes of incorporating costs associated with the First Extension. The agreed-upon compensation for the First Extension shall not exceed **One Hundred Seventy-One Thousand, Four Hundred Seventy-Eight Dollars and No Cents** ($171,478.00). Such sum shall include all amounts payable to Contractor for its subcontracts, leases, materials, and cost arising from, or due to termination of the Agreement. Agency shall pay Contractor upon thirty (30) day of receipt of invoice(s) and full acceptance of product and services by the Agency. Said compensation of the First Extension shall cover all expenses, losses, damages, and consequences arising out of the nature of work during its progress or prior to its acceptance including those for well and faithfully completing the work and the whole there of in the manner of time specified in the aforesaid Agreement; and also include those arising from actions of the elements, unforeseen difficulties or obstructions encountered in the prosecution of the work, suspension or discontinuance of the work, and all other unknowns or risk of any description connected with the work.

SECTION 4: INCORPORATION OF REMAINING TERMS. Other than as expressly modified in this First Amendment with respect to the Term and Compensation of the Agreement, all remaining terms, conditions, and provisions of the Agreement, and the entirety thereof, shall remain in full force and effect, and is incorporated fully herein by this reference.

SECTION 5. COUNTERPARTS. This First Amendment may be executed in counterparts all of which shall constitute but one original, and the same agreement.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed this First Amendment to the Contract Agreement No. 3697 as of the day and year first above written.

CITY OF MONTEBELLO
("AGENCY")

_____
René Bobadilla, City Manager

Dated: _____

AVAIL TECHNOLOGIES, INC.
("CONTRACTOR")

_____
Dorsey E. Houtz, President & CEO

Dated:_____

ATTEST:

_____
Irma Barajas, City Clerk

APPROVED AS TO FORM:

_____
Arnold M. Alvarez-Glasman, City Attorney

ITEM #18

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: René Bobadilla, City Manager

BY: Brad Keller, Chief of Police

SUBJECT: Approval of California Office of Traffic Safety (OTS), Traffic Records Improvement Project (TRIP) Grant Funds Utilization

DATE: September 23, 2020

RECOMMENDATION:

It is recommended that the City Council:

1) Approve the use of grant funding awarded to the Police Department by the California Office of Traffic and Safety (OTS) through the Traffic Records Improvement Project (TRIP), Grant number TR21044, in the amount of $15,000; and

2) Authorize amending the Fiscal Year (FY) 2020-21 budget and increase appropriations by $15,000 in Grant Fund Account No. 265-8014-800-65.10, OTS-TRIP, OTS TR21044 FY 2020-21; and,

3) Take such additional, related, action that may be desirable.

BACKGROUND

On July 3, 2020, the Department was awarded an OTS-TRIP Grant in the amount of $15,000. The time period of the Grant is October 1, 2020, to September 30, 2021. Funding from this Grant has been approved for the upgrade of the Department's existing electronic crash reporting program to the latest version available that includes the capability of exporting complete crash report records to a departmental records management system and the California Highway Patrol's Statewide Integrated Traffic Records System.

The Department has not been able to update the necessary traffic reporting software due to budgetary restrictions. The Department's goal is to utilize the Grant funds towards ensuring they continue to use the most recent and correct data to direct enforcement efforts. Through these methods, the Department will be successful in curbing the City's traffic problems and reducing the overall number of traffic incidents causing injuries and fatalities.

ANALYSIS

The use of the Grant will allow the Department to update the Department's electronic crash reporting system and thereby implement best practice strategies aimed at producing timely, accurate, complete, accessible, and uniform traffic records. This will allow the Department to identify and prioritize traffic safety issues, to choose appropriate safety countermeasures and evaluate their effectiveness.

FISCAL IMPACT

The City of Montebello ("City") by and through the Montebello Police Department ("Department") has been awarded a TRIP Grant from the California OTS in the amount of $15,000 ("Grant"). Although, the City must pay upfront costs, all related, authorized, expenditures will be reimbursed by the Grant on a quarterly basis for a total amount up to $15,000.

The funds are to be distributed to a specific OTS-TRIP grant account (265-8014-800-65.10, OTS-TRIP, OTS TR21044 FY 2020-21) which will reflect the following use of the funds and budget amount:

- Traffic Crash Database System Interface $15,000

SUMMARY

The Department has been awarded a TRIP Grant from OTS in the amount of $15,000. The grant award will enable the Department to update necessary traffic record software. City Council is being asked to amend the FY 2020-21 budget by increasing appropriations by $15,000 in Grant Account Number 265-8014-800-65.10, OTS-TRIP, OTS TR21044 FY 2020-21.

ATTACHMENT(S):

A. State of California- Office of Traffic Safety- Grant Agreement (TR21044)

1. GRANT TITLE
Traffic Records Improvement Project

2. NAME OF AGENCY
Montebello

3. Grant Period
From: 10/01/2020
To: 09/30/2021

4. AGENCY UNIT TO ADMINISTER GRANT
Montebello Police Department

5. GRANT DESCRIPTION
State and local agencies need timely, accurate, complete, accessible, and uniform traffic records to identify and prioritize traffic safety issues, to choose appropriate safety countermeasures and evaluate their effectiveness. Traffic records improvement grants provide traffic safety stakeholders with the ability to plan and initiate traffic records improvement projects such as the purchase and implementation of traffic crash reporting systems as well as electronic citation equipment and software.

6. Federal Funds Allocated Under This Agreement Shall Not Exceed: $15,000.00

7. TERMS AND CONDITIONS: The parties agree to comply with the terms and conditions of the following which are by this reference made a part of the Agreement:

- Schedule A – Problem Statement, Goals and Objectives and Method of Procedure
- Schedule B – Detailed Budget Estimate and Sub-Budget Estimate (if applicable)
- Schedule B-1 – Budget Narrative and Sub-Budget Narrative (if applicable)
- Exhibit A – Certifications and Assurances
- Exhibit B* – OTS Grant Program Manual
- Exhibit C – Grant Electronic Management System (GEMS) Access

*Items shown with an asterisk (*), are hereby incorporated by reference and made a part of this agreement as if attached hereto.

These documents can be viewed at the OTS home web page under Grants: www.ots.ca.gov.

We, the officials named below, hereby swear under penalty of perjury under the laws of the State of California that we are duly authorized to legally bind the Grant recipient to the above described Grant terms and conditions.
IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

8. Approval Signatures

A. GRANT DIRECTOR
NAME: Vanessa Nava
TITLE: Grants and Project Administrator
EMAIL: vpadilla@cityofmontebello.com
PHONE: (323) 887-1200 x238
ADDRESS: 1600 W. Beverly Blvd.
Montebello, CA 90640

(Signature) *(Date)*

B. AUTHORIZING OFFICIAL OF AGENCY
NAME: Brad Keller
TITLE: Chief of Police
EMAIL: bkeller@cityofmontebello.com
PHONE: (323) 480-8000 , ext 288
ADDRESS: 1600 West Beverly Boulevard
Montebello, CA 90640

(Signature) *(Date)*

C. FISCAL OFFICIAL
NAME: Luis Lopez
TITLE: Police Captain
EMAIL: llopez@cityofmontebello.com
PHONE: (323) 887-1200 ext. 285
ADDRESS: 1600 West Beverly Boulevard
Montebello, CA 90640

(Signature) *(Date)*

D. AUTHORIZING OFFICIAL OF OFFICE OF TRAFFIC SAFETY
NAME: Barbara Rooney
TITLE: Director
EMAIL: barbara.rooney@ots.ca.gov
PHONE: (916) 509-3030
ADDRESS: 2208 Kausen Drive Suite 300
Elk Grove, CA 95758

(Signature) *(Date)*

E. ACCOUNTING OFFICER OF OFFICE OF TRAFFIC SAFETY	9. **DUNS INFORMATION**
NAME: Carolyn Vu ADDRESS: 2208 Kausen Drive, Suite 300 Elk Grove, CA 95758	DUNS #: 825590482 REGISTERED ADDRESS: 1600 W Beverly Blvd CITY: Montebello ZIP+4: 90640-3932

10. PROJECTED EXPENDITURES

FUND	CFDA	ITEM/APPROPRIATION	F.Y.	CHAPTER	STATUTE	PROJECTED EXPENDITURES
				AGREEMENT TOTAL		**$15,000.00**
				AMOUNT ENCUMBERED BY THIS DOCUMENT **$15,000.00**		
I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.				PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT **$ 0.00**		
OTS ACCOUNTING OFFICER'S SIGNATURE		DATE SIGNED		TOTAL AMOUNT ENCUMBERED TO DATE **$15,000.00**		

1. PROBLEM STATEMENT

The City of Montebello Police Department has successfully applied for and received grant funds for several years from the Office of Traffic Safety (OTS) to assist in our efforts to reduce traffic deaths, injuries, and economic losses. The goal for 2020/2021 is to continue with a focused enforcement plan designed through a Strategic Traffic Enforcement Program. This will be achieved through planning traffic enforcement operations that are data driven and that can be staffed appropriately and by qualified personnel. The City has been undergoing severe budget reductions and restrictions for the past few years and has not been able to update our Traffic Reporting software as needed. By providing these funds the OTS will ensure that Montebello continues to use the most recent and correct data to direct our enforcement efforts. Through these methods the department will be successful in curbing Montebello's traffic problems and reducing the overall number of traffic incidents causing injuries and fatalities.

The Montebello Police Department has diligently worked to identify and address traffic problems in the City of Montebello. The Office of Traffic Safety has allowed our efforts to make dramatic improvements. By continuing our partnership, the MPD and the OTS will ensure that our collaborative efforts create lasting change to reduce and eventually eliminate traffic injuries and fatalities in the City of Montebello and the surrounding regions.

2. PERFORMANCE MEASURES

A. Goals:

1. Reduce the number of persons killed in traffic crashes.
2. Reduce the number of persons injured in traffic crashes.

B. Objectives:	**Target Number**
1. Upgrade existing electronic crash reporting program to the latest version available that includes the capability of exporting complete crash report records to a departmental records management system and the California Highway Patrol's Statewide Integrated Traffic Records System.	1

3. METHOD OF PROCEDURE

A. <u>Phase 1 – Program Preparation</u> (1st Quarter of Grant Year)

- Determine specific system requirements.
- Determine specific equipment requirements.
- Request vendor price quotation per host agency requirements.
- Procure an electronic crash reporting system with the following functionalities:
  - System licensing with installation and training.
  - GIS based mapping.
  - Segment crash diagraming tool.
  - Ability to create or import crash reports.
  - Ability to import and export agency RMS files.
  - Ability to perform complete analysis of crash reports.
  - Secure database accessible by appropriate agency personnel.
  - Ability to export complete crash report to the California Highway Patrol's Statewide Integrated Traffic Records System.

B. <u>Phase 2 – Program Operations</u> (Throughout Grant Year)

- Select vendor for system development, implementation, and installation.
- Monitor and oversee progress of system/software development.

C. <u>Phase 3 – Data Collection & Reporting</u> (Throughout Grant Year)

- Prepare and submit invoice claims (due January 30, April 30, July 30, and October 30).
  - Successful project completion and confirmation of successful transmission by the California Highway Patrol is required before submission of invoice claims seeking reimbursement from OTS.

- Prepare and submit quarterly performance reports (due January 30, April 30, July 30, and October 30).
    - Collect and report quarterly appropriate data that supports the progress of goals and objectives.
    - Provide a summary of quarterly accomplishments and explanations for objectives not completed.
    - Collect, analyze, and report statistical data relating to the grant goals and objectives.

4. METHOD OF EVALUATION

Using the data compiled during the grant, the Grant Director will complete the "Final Evaluation" section in the fourth/final Quarterly Performance Report (QPR). The Final Evaluation should provide a brief summary of the grant's accomplishments, challenges and significant activities. This narrative should also include whether goals and objectives were met, exceeded, or an explanation of why objectives were not completed.

5. ADMINISTRATIVE SUPPORT

This program has full administrative support, and every effort will be made to continue the grant activities after grant conclusion.

FUND NUMBER	CATALOG NUMBER (CFDA)	FUND DESCRIPTION	TOTAL AMOUNT
405c TR-21	20.616	State Traffic Safety Information System Improvements	$15,000.00

COST CATEGORY	FUND NUMBER	UNIT COST OR RATE	UNITS	TOTAL COST TO GRANT
A. PERSONNEL COSTS				
Positions and Salaries **Straight Time**				$0.00
Overtime				$0.00
Category Sub-Total				$0.00
B. TRAVEL EXPENSES				
				$0.00
				$0.00
Category Sub-Total				$0.00
C. CONTRACTUAL SERVICES				
Traffic Crash Database System Interface	405c TR-21	$15,000.00	1	$15,000.00
Category Sub-Total				$15,000.00
D. EQUIPMENT				
				$0.00
Category Sub-Total				$0.00
E. OTHER DIRECT COSTS				
				$0.00
Category Sub-Total				$0.00
F. INDIRECT COSTS				
				$0.00
Category Sub-Total				$0.00
GRANT TOTAL				**$15,000.00**

BUDGET NARRATIVE
PERSONNEL COSTS -
TRAVEL EXPENSES -
CONTRACTUAL SERVICES Traffic Crash Database System Interface - Computer programming required to interface crash database or citation data collection systems with other existing agency or court databases or Records Management Systems, allowing the systems to be electronically integrated for transfer of data.
EQUIPMENT -
OTHER DIRECT COSTS -
INDIRECT COSTS -
STATEMENTS/DISCLAIMERS There will be no program income generated from this grant.

CERTIFICATIONS AND ASSURANCES
HIGHWAY SAFETY GRANTS
(23 U.S.C. CHAPTER 4 AND SEC. 1906, PUB. L. 109-59, AS AMENDED)

Failure to comply with applicable Federal statutes, regulations, and directives may subject Grantee Agency officials to civil or criminal penalties and/or place State in a high-risk grantee status in accordance with 49 CFR 18.12.

The Officials named on the grant agreement signature page, that the Grantee Agency complies with all applicable Federal statutes, regulations, and directives and State rules, guidelines, policies and laws in effect with respect to the periods for which it receives grant funding. Applicable provisions include but are not limited to the following:

GENERAL REQUIREMENTS

- 23 U.S.C. Chapter 4 – Highway Safety Act of 1966, as amended
- 2 CFR part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 49 CFR Part 18- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- 23 CFR part 1300 – Uniform Procedures for State Highway Safety Grant Programs

NONDISCRIMINATION
(**applies to subrecipients as well as States)**
The State highway safety agency will comply with all Federal statutes and implementing regulations relating to nondiscrimination ("Federal Nondiscrimination Authorities"). These include but are not limited to:
• **Title VI of the Civil Rights Act of 1964** (42 U.S.C. 2000d *et seq.,* 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin) and 49 CFR part 21;
• **The Uniform Relocation Assistance and Real Property Acquisition Policies** Act of 1970, (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
• **Federal-Aid Highway Act of 1973**, (23 U.S.C. 324 *et seq.),* **and Title IX of the Education Amendments of 1972**, as amended (20 U.S.C. 1681-1683 and 1685-1686) (prohibit discrimination on the basis of sex);
• **Section 504 of the Rehabilitation Act of 1973**, (29 U.S.C. 794 *et seq.),* as amended, (prohibits discrimination on the basis of disability) and 49 CFR part 27;
• **The Age Discrimination Act of 1975**, as amended, (42 U.S.C. 6101 *et seq.),* (prohibits discrimination on the basis of age);
• **The Civil Rights Restoration Act of 1987**, (Pub. L. 100-209), (broadens scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal aid recipients, subrecipients and contractors, whether such programs or activities are Federally-funded or not);
• **Titles II and III of the Americans with Disabilities Act** (42 U.S.C. 12131-12189) (prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing) and 49 CFR parts 37 and 38;
• **Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations** (prevents discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations); and

• **Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency** (guards against Title VI national origin discrimination/discrimination because of limited English proficiency (LEP) by ensuring that funding recipients take reasonable steps to ensure that LEP persons have meaningful access to programs (70 FR 74087-74100).

The State highway safety agency—

• Will take all measures necessary to ensure that no person in the United States shall, on the grounds of race, color, national origin, disability, sex, age, limited English proficiency, or membership in any other class protected by Federal Nondiscrimination Authorities, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any of its programs or activities, so long as any portion of the program is Federally-assisted;

• Will administer the program in a manner that reasonably ensures that any of its subrecipients, contractors, subcontractors, and consultants receiving Federal financial assistance under this program will comply with all requirements of the Non-Discrimination Authorities identified in this Assurance;

• Agrees to comply (and require its subrecipients, contractors, subcontractors, and consultants to comply) with all applicable provisions of law or regulation governing US DOT's or NHTSA's access to records, accounts, documents, information, facilities, and staff, and to cooperate and comply with any program or compliance reviews, and/or complaint investigations conducted by US DOT or NHTSA under any Federal Nondiscrimination Authority;

• Acknowledges that the United States has a right to seek judicial enforcement with regard to any matter arising under these Non-Discrimination Authorities and this Assurance;

• Agrees to insert in all contracts and funding agreements with other State or private entities the following clause:

"During the performance of this contract/funding agreement, the contractor/funding recipient agrees—

a. To comply with all Federal nondiscrimination laws and regulations, as may be amended from time to time;

b. Not to participate directly or indirectly in the discrimination prohibited by any Federal non-discrimination law or regulation, as set forth in appendix B of 49 CFR part 2l and herein;

c. To permit access to its books, records, accounts, other sources of information, and its facilities as required by the State highway safety office, US DOT or NHTSA;

d. That, in event a contractor/funding recipient fails to comply with any nondiscrimination provisions in this contract/funding agreement, the State highway safety agency will have the right to impose such contract/agreement sanctions as it or NHTSA determine are appropriate, including but not limited to withholding payments to the contractor/funding recipient under the contract/agreement until the contractor/funding recipient complies; and/or cancelling, terminating, or suspending a contract or funding agreement, in whole or in part; and

e. To insert this clause, including paragraphs (a) through (e), in every subcontract and subagreement and in every solicitation for a subcontract or sub-agreement, that receives Federal funds under this program.

POLITICAL ACTIVITY (HATCH ACT)
(applies to subrecipients as well as States)

The state will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

CERTIFICATION REGARDING FEDERAL LOBBYING
(applies to subrecipients as well as States)

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

3. The undersigned shall require that the language of this certification be included in the award documents for all sub-award at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

RESTRICTION ON STATE LOBBYING
(applies to subrecipients as well as States)
None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION
(applies to subrecipients as well as States)
Instructions for Primary Tier Participant Certification (States)
1. By signing and submitting this proposal, the prospective primary tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective primary tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary tier participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.

4. The prospective primary tier participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary tier participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms *covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded*, as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary tier participant further agrees by submitting this proposal that it will include the clause titled “Instructions for Lower Tier Participant Certification” including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction,” provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (https://www.sam.gov/).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency may terminate the transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Tier Covered Transactions

(1) The prospective primary tier participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

(2) Where the prospective primary tier participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.
Instructions for Lower Tier Participant Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms *covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded*, as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled “Instructions for Lower Tier Participant Certification” including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (https://www.sam.gov/).

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

BUY AMERICA ACT
(applies to subrecipients as well as States)
The State and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase with Federal funds only steel, iron and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification for approval by the Secretary of Transportation.

PROHIBITION ON USING GRANT FUNDS TO CHECK FOR HELMET USAGE
(applies to subrecipients as well as States)
The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

POLICY ON SEAT BELT USE
In accordance with Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, the Grantee is encouraged to adopt and enforce on-the-job seat belt use policies and programs for its employees when operating company-owned, rented, or personally-owned vehicles. The National Highway Traffic Safety Administration (NHTSA) is responsible for providing leadership and guidance in support of this Presidential initiative. For information and resources on traffic safety programs and policies for employers, please contact the Network of Employers for Traffic Safety (NETS), a public-private partnership dedicated to improving the traffic safety practices of employers and employees. You can download information on seat belt programs, costs of motor vehicle crashes to employers, and other traffic safety initiatives at www.trafficsafety.org. The NHTSA website (www.nhtsa.gov) also provides information on statistics, campaigns, and program evaluations and references.

POLICY ON BANNING TEXT MESSAGING WHILE DRIVING
In accordance with Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, and DOT Order 3902.10, Text Messaging While Driving, States are encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted driving, including policies to ban text messaging while driving company-owned or rented vehicles, Government-owned, leased or rented vehicles, or privately-owned vehicles when on official Government business or when performing any work on or behalf of the Government. States are also encouraged to conduct workplace safety initiatives in a manner commensurate with the size of the business, such as establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving, and education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

INSTRUCTIONS FOR ADDING OR UPDATING GEMS USERS

1. Each agency is allowed a total of **FIVE (5) GEMS Users**.
2. GEMS Users listed on this form will be authorized to login to GEMS to complete and submit Quarterly Performance Reports (QPRs) and reimbursement claims.
3. Complete the form if adding, removing or editing a GEMS user(s).
4. The Grant Director, Fiscal Official or Authorizing Official must sign and return it with the Grant Agreement.

Grant Details	
Grant Number:	TR21044
Agency Name:	Montebello Police Department
Grant Title:	Traffic Records Improvement Project
Agreement Total:	$15,000.00
Authorizing Official:	Brad Keller
Fiscal Official:	Luis Lopez
Grant Director:	Vanessa Nava

Current GEMS User(s)

1. David Kim
Title: Lieutenant
Phone: (323) 887-1200 ext. 231
Email: dkim@cityofmontebello.com
Media Contact: Yes

2. Vanessa Nava
Title: Grants and Project Administrator
Phone: (323) 887-1200 x238
Email: vpadilla@cityofmontebello.com
Media Contact: Yes

3. Steve Sharpe
Title: Sergeant
Phone: (323) 480-4000 ext. 311
Email: ssharpe@cityofmontebello.com
Media Contact: Yes

Complete the below information if adding, removing or editing a GEMS user(s)

GEMS User 1 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 2 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 3 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 4 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 5 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
Form completed by:	Date:

As a signatory I hereby authorize the listed individual(s) to represent and have GEMS user access.	
Signature	Name
Date	Title

ITEM #19

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: René Bobadilla, City Manager

BY: Brad Keller, Chief of Police

SUBJECT: Approval of California Office of Traffic Safety (OTS), Selective Traffic Enforcement Program (STEP) grant funds utilization

DATE: September 23, 2020

RECOMMENDATION:

It is recommended that the City Council

1) Approve the use of grant funding awarded to the Police Department by the California Office of Traffic and Safety (OTS) through the Selective Traffic Enforcement Program (STEP), Grant number PT21105, in the amount of $109,000; and

2) Amend the Fiscal Year 2020-21 budget and increase appropriations by $109,000 in grant Account No. 265-8013-800-60.10, OTS-STEP Grant, PT21105 FY 2020-21; and

3) Take such additional, related, action that may be desirable.

BACKGROUND

On July 3, 2020, the Department was awarded an OTS-STEP Grant in the amount of $109,000. The time period of the Grant is October 1, 2020, to September 30, 2021. Funding from this Grant has been approved for traffic operations and other miscellaneous traffic and checkpoint supplies.

The Department has primarily focused on reducing alcohol and speed related collisions. Through the use of educational campaigns that focus on traffic safety topics such as distracted driving and primary collision factors, he Department will continue to educate the community on the importance of safe driving practices. The Department is currently expanding staff in the traffic unit, adding traffic safety equipment, and expanding training opportunities.

The Department's goal is to use the Grant funds towards the enforcement of traffic laws, educating the public in traffic safety, and providing varied and effective means of reducing fatalities, injuries, and economic losses from collisions. These tasks will be achieved through a focused traffic enforcement plan utilizing operations that are data driven and that our Department has the capacity to complete.

ANALYSIS

Best practice strategies will be implemented to reduce the number of persons killed and injured in crashes involving alcohol and primary collision factors that are prevalent in our City including speeding, tailgating, illegal U-turns, and stop sign violations. The funded strategies may include impaired driving enforcement, enforcement operations focusing on primary collision factors, distracted driving, night-time seat belt enforcement, special enforcement operations encouraging motorcycle safety, enforcement and public awareness in areas with a high number of bicycle and pedestrian collisions, and educational presentations on topics that may include: child passenger safety, occupant protection, and senior driving. These strategies and campaigns are advertised on our Department's website and social media with the goal of capturing the communities' attention to encourage safe driving practices.

FISCAL IMPACT

The City of Montebello ("City") by and through the Montebello Police Department ("Department") is being awarded $109,000 from the OTS-STEP Grant Program ("Grant"). Although, the City must pay upfront costs, all related, authorized, expenditures will be reimbursed by the Grant on a quarterly basis for an amount up to $109,000.

The funds are to be distributed to a specific OTS-STEP account which will reflect the following budget (265-8013-800-60.10, OTS-STEP, PT21105 FY 2020-21):

1.	Personnel Costs (Overtime)	$88,420
2.	Travel Expenses	$3,500
3.	Other Direct Costs	$17,080
	TOTAL	**$109,000**

SUMMARY

The Department has been awarded a STEP Grant from OTS in the amount of $109,000. The Grant award will enable the Department to conduct traffic safety and enforcement operations. As a result of the award of these reimbursable grant funds, the Department is able to deploy officers and conduct high visibility traffic campaigns. The support of the OTS-STEP Grant will aid in these goals and expand our efforts.

City Council is being asked to authorize the proposed use of the Grant as further outlined in the attached Grant Agreement (PT21105) and amend the FY 2020-21 budget by increasing appropriations by $109,000 in grant Account Number 265-8013-800-60.10, OTS-STEP, PT21105 FY 2020-21.

ATTACHMENT(S):

A. State of California- Office of Traffic Safety- Grant Agreement (PT21105)

1. GRANT TITLE
Selective Traffic Enforcement Program (STEP)

2. NAME OF AGENCY
Montebello

3. Grant Period
From: 10/01/2020
To: 09/30/2021

4. AGENCY UNIT TO ADMINISTER GRANT
Montebello Police Department

5. GRANT DESCRIPTION
Best practice strategies will be conducted to reduce the number of persons killed and injured in crashes involving alcohol and other primary crash factors. The funded strategies may include impaired driving enforcement, enforcement operations focusing on primary crash factors, distracted driving, night-time seat belt enforcement, special enforcement operations encouraging motorcycle safety, enforcement and public awareness in areas with a high number of bicycle and pedestrian crashes, and educational programs. These strategies are designed to earn media attention thus enhancing the overall deterrent effect.

6. Federal Funds Allocated Under This Agreement Shall Not Exceed: $109,000.00

7. TERMS AND CONDITIONS: The parties agree to comply with the terms and conditions of the following which are by this reference made a part of the Agreement:

- Schedule A – Problem Statement, Goals and Objectives and Method of Procedure
- Schedule B – Detailed Budget Estimate and Sub-Budget Estimate (if applicable)
- Schedule B-1 – Budget Narrative and Sub-Budget Narrative (if applicable)
- Exhibit A – Certifications and Assurances
- Exhibit B* – OTS Grant Program Manual
- Exhibit C – Grant Electronic Management System (GEMS) Access

*Items shown with an asterisk (*), are hereby incorporated by reference and made a part of this agreement as if attached hereto.

These documents can be viewed at the OTS home web page under Grants: www.ots.ca.gov.

We, the officials named below, hereby swear under penalty of perjury under the laws of the State of California that we are duly authorized to legally bind the Grant recipient to the above described Grant terms and conditions.
IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

8. Approval Signatures

A. GRANT DIRECTOR
NAME: Vanessa Nava
TITLE: Grants and Project Administrator
EMAIL: vpadilla@cityofmontebello.com
PHONE: (323) 887-1200 x238
ADDRESS: 1600 W. Beverly Blvd.
Montebello, CA 90640

(Signature) *(Date)*

B. AUTHORIZING OFFICIAL OF AGENCY
NAME: Brad Keller
TITLE: Chief of Police
EMAIL: bkeller@cityofmontebello.com
PHONE: (323) 480-8000 , ext 288
ADDRESS: 1600 West Beverly Boulevard
Montebello, CA 90640

(Signature) *(Date)*

C. FISCAL OFFICIAL
NAME: Luis Lopez
TITLE: Police Captain
EMAIL: llopez@cityofmontebello.com
PHONE: (323) 887-1200 ext. 285
ADDRESS: 1600 West Beverly Boulevard
Montebello, CA 90640

(Signature) *(Date)*

D. AUTHORIZING OFFICIAL OF OFFICE OF TRAFFIC SAFETY
NAME: Barbara Rooney
TITLE: Director
EMAIL: barbara.rooney@ots.ca.gov
PHONE: (916) 509-3030
ADDRESS: 2208 Kausen Drive Suite 300
Elk Grove, CA 95758

(Signature) *(Date)*

E. ACCOUNTING OFFICER OF OFFICE OF TRAFFIC SAFETY	**9. DUNS INFORMATION**
NAME: Carolyn Vu ADDRESS: 2208 Kausen Drive, Suite 300 Elk Grove, CA 95758	DUNS #: 825590482 REGISTERED ADDRESS: 1600 W Beverly Blvd CITY: Montebello ZIP+4: 90640-3932

10. PROJECTED EXPENDITURES

FUND	CFDA	ITEM/APPROPRIATION	F.Y.	CHAPTER	STATUTE	PROJECTED EXPENDITURES
				AGREEMENT TOTAL		**$109,000.00**
				AMOUNT ENCUMBERED BY THIS DOCUMENT **$109,000.00**		
I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.				PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT **$ 0.00**		
OTS ACCOUNTING OFFICER'S SIGNATURE		DATE SIGNED		TOTAL AMOUNT ENCUMBERED TO DATE **$109,000.00**		

1. PROBLEM STATEMENT

The City of Montebello Police Department has successfully applied for and received grant funds for several years from the Office of Traffic Safety (OTS) to assist in our efforts to reduce traffic deaths, injuries, and economic losses. The goal for 2020/2021 is to continue with a focused enforcement plan designed through a Strategic Traffic Enforcement Program. This will be achieved through planning traffic enforcement operations that are data driven and that can be staffed appropriately and by qualified personnel. Through these methods the department will be successful in curbing Montebello's traffic problems and reducing the overall number of traffic incidents causing injuries and fatalities.

The City of Montebello is a bustling and charming community located in Los Angeles County. Traffic volume is heavy throughout the city for several reasons. Montebello covers an area of approximately 8.25 miles and is bordered on the south by the Santa Ana Freeway (I-5) and on the north by the Pomona Freeway (SR-60). Several other freeways are nearby and easily accessible from the area (Long Beach Freeway I-710, I-10, & San Gabriel Freeway I-605). Montebello is often referred to as a gateway city due to its close proximity to downtown Los Angeles (10 miles) and its shared borders with several cities, including Monterey Park, San Gabriel, Pico Rivera, Rosemead, Commerce and East Los Angeles. The city is primarily residential, but has recently seen a burst of commercial growth. Montebello is home to a large shopping mall that sees very heavy traffic, especially during the holiday season. Additionally, there are 5 private schools, 33 schools in the Montebello Unified School District, and several universities in the surrounding area (CSULA, East LA College, Whittier College, Rio Hondo College). Montebello is centrally located in one of the busiest counties in the country, it is bordered by heavily traveled freeways, and is an area by which innumerous commuters travel, shop, and reside on a daily basis.

The City of Montebello Police Department staffs a crime analyst to gather preliminary data and identify any emerging traffic trends. Through our data we have identified alarming trends that we hope to address with additional grant funding. The years of 2017 and 2018 were very disturbing years in regards to fatalities in the City with 5 and 8 respectively. While 2019 saw zero fatalities we are determined to continue our efforts as our records indicate that these numbers tend to be cyclical. Local collision data from 2012 to 2015 indicated that there was an alarming increase in fatal collisions from 0 in 2012, to 5 in 2013, and 8 in 2015. Another troubling statistic is the increasing number of injuries caused in traffic collisions. From 2016-2019, the number of injuries escalated yearly by an average of 20 per year to about 393 per year.

The OTS compares the accident data of cities with similarly sized populations, giving those with the poorest records the highest rankings. An overall review of the OTS rankings shows that Montebello ranked on average 40th out of 106 comparable cities (cities with populations between 50,001 and 100,000) in all types of crashes reported. Our records have tracked and determined that the top three primary collision factors (PCF) in the city have been unsafe lane changes, speeding, and right of way violations. On average, between 2017-2019 21% of collisions involved unsafe lane changes, 14% involved speeding, and 9% involved right of way violations. In 2018, of the 8 fatalities, 5 involved one of the top three PCF, 1 involved a pedestrian, and another involved a driver impaired with drugs and alcohol. These statistics are comparable to other years. In 2013, all 5 fatalities involved one of the primary collision factors. In 2015, almost all of the fatalities also involved a primary collision factor. The fatality in both years also included at least 2 pedestrian fatalities. It is evident that the department still has plenty of work to do to ensure that the community uses safe driving practices. These efforts will be advanced through dedicated data driven operations focusing on existing primary collision factors.

In recent years, the department was unable to adequately staff the traffic unit due to severe budgetary reductions. The department was then forced to depend on patrol officers for all traffic enforcement activities. Given the significant traffic issues that the city had been encountering, the department re-established the traffic unit by adding two full time Traffic Officers, a Sergeant, and Lieutenant dedicated to overseeing operations. This staffing changed allowed the department to make traffic safety enforcement a priority. The Chief of Police, along with the support of the City Administration, have committed to financially supporting the unit in the future budget cycles. The City has committed to increasing staff in the unit, maintaining and

updating equipment, and exceeding all traffic standards. These efforts will be multiplied by grant funding to increase enforcement operations that will be staffed by officers that are highly trained to detect and deter unsafe driving practices.

The Montebello Police Department has diligently worked to identify and address traffic problems in the City of Montebello. The Office of Traffic Safety has allowed our efforts to make dramatic improvements. By continuing our partnership, the MPD and the OTS will ensure that our collaborative efforts create lasting change to reduce and eventually eliminate traffic injuries and fatalities in the City of Montebello and the surrounding regions.

2. PERFORMANCE MEASURES

A. Goals:

1. Reduce the number of persons killed in traffic crashes.
2. Reduce the number of persons injured in traffic crashes.
3. Reduce the number of pedestrians killed in traffic crashes.
4. Reduce the number of pedestrians injured in traffic crashes.
5. Reduce the number of bicyclists killed in traffic crashes.
6. Reduce the number of bicyclists injured in traffic crashes.
7. Reduce the number of persons killed in alcohol-involved crashes.
8. Reduce the number of persons injured in alcohol-involved crashes.
9. Reduce the number of persons killed in drug-involved crashes.
10. Reduce the number of persons injured in drug-involved crashes.
11. Reduce the number of persons killed in alcohol/drug combo-involved crashes.
12. Reduce the number of persons injured in alcohol/drug combo-involved crashes.
13. Reduce the number of motorcyclists killed in traffic crashes.
14. Reduce the number of motorcyclists injured in traffic crashes.
15. Reduce hit & run fatal crashes.
16. Reduce hit & run injury crashes.
17. Reduce nighttime (2100 - 0259 hours) fatal crashes.
18. Reduce nighttime (2100 - 0259 hours) injury crashes.

B. Objectives:	Target Number
1. Issue a press release announcing the kick-off of the grant by November 15. The kick-off press releases and media advisories, alerts, and materials must be emailed to the OTS Public Information Officer at pio@ots.ca.gov, and copied to your OTS Coordinator, for approval 14 days prior to the issuance date of the release.	1
2. Participate and report data (as required) in the following campaigns, National Walk to School Day, National Teen Driver Safety Week, NHTSA Winter Mobilization, National Distracted Driving Awareness Month, National Motorcycle Safety Month, National Bicycle Safety Month, National Click it or Ticket Mobilization, NHTSA Summer Mobilization, National Child Passenger Safety Week, and California's Pedestrian Safety Month.	10
3. Develop (by December 31) and/or maintain a “HOT Sheet” program to notify patrol and traffic officers to be on the lookout for identified repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. Updated HOT sheets should be distributed to patrol and traffic officers monthly.	12
4. Send law enforcement personnel to the NHTSA Standardized Field Sobriety Testing (SFST) (minimum 16 hours) POST-certified training.	4
5. Send law enforcement personnel to the NHTSA Advanced Roadside Impaired Driving Enforcement (ARIDE) 16 hour POST-certified training.	4
6. Conduct DUI/DL Checkpoints. A minimum of 1 checkpoint should be conducted during the NHTSA Winter Mobilization and 1 during the Summer Mobilization. To enhance the overall deterrent effect and promote high visibility, it is recommended the grantee issue an advance press release and conduct social media activity for each checkpoint. For combination DUI/DL checkpoints, departments should issue	2

press releases that mention DL's will be checked at the DUI/DL checkpoint. Signs for DUI/DL checkpoints should read "DUI/Driver's License Checkpoint Ahead." OTS does not fund or support independent DL checkpoints. Only on an exception basis and with OTS pre-approval will OTS fund checkpoints that begin prior to 1800 hours. When possible, DUI/DL Checkpoint screeners should be DRE- or ARIDE-trained.	
7. Conduct DUI Saturation Patrol operation(s).	12
8. Conduct Traffic Enforcement operation(s), including but not limited to, primary crash factor violations.	5
9. Conduct highly publicized Distracted Driving enforcement operation(s) targeting drivers using hand held cell phones and texting.	2
10. Conduct highly publicized Motorcycle Safety enforcement operation(s) in areas or during events with a high number of motorcycle incidents or crashes resulting from unsafe speed, DUI, following too closely, unsafe lane changes, improper turning, and other primary crash factor violations by motorcyclists and other drivers.	1
11. Conduct highly publicized pedestrian and/or bicycle enforcement operation(s) in areas or during events with a high number of pedestrian and/or bicycle crashes resulting from violations made by pedestrians, bicyclists, and drivers.	4
12. Conduct Traffic Safety educational presentation(s) with an effort to reach community members. Note: Presentation(s) may include topics such as distracted driving, DUI, speed, bicycle and pedestrian safety, seat belts and child passenger safety.	4
13. Conduct highly visible collaborative DUI Enforcement operations	2
14. Conduct highly visible collaborative Traffic Enforcement operations	2

3. METHOD OF PROCEDURE

A. Phase 1 – Program Preparation (1st Quarter of Grant Year)

- The department will develop operational plans to implement the “best practice” strategies outlined in the objectives section.
- All training needed to implement the program should be conducted this quarter.
- All grant related purchases needed to implement the program should be made this quarter.
- In order to develop/maintain the “Hot Sheets,” research will be conducted to identify the “worst of the worst” repeat DUI offenders with a suspended or revoked license as a result of DUI convictions. The Hot Sheets may include the driver’s name, last known address, DOB, description, current license status, and the number of times suspended or revoked for DUI. Hot Sheets should be updated and distributed to traffic and patrol officers at least monthly.
- Implementation of the STEP grant activities will be accomplished by deploying personnel at high crash locations.Media Requirements
- Issue a press release announcing the kick-off of the grant by November 15, but no earlier than October 1. If unable to meet the November 15 date, communicate reasons to your OTS Coordinator. The kick-off press releases and any related media advisories, alerts, and materials must be emailed for approval to the OTS Public Information Officer at pio@ots.ca.gov, and copied to your OTS Coordinator, 14 days prior to the issuance date of the release.

B. Phase 2 – Program Operations (Throughout Grant Year)

- The department will work to create media opportunities throughout the grant period to call attention to the innovative program strategies and outcomes.Media Requirements
- Send all grant-related activity press releases, media advisories, alerts and general public materials to the OTS Public Information Officer (PIO) at pio@ots.ca.gov, with a copy to your OTS Coordinator. The following requirements are for grant-related activities and are different from those regarding any grant kick-off release or announcement.
- If an OTS-supplied, template-based press release is used, there is no need for pre-approval, however, the OTS PIO and Coordinator should be copied when at the same time as the release is distributed to the press.
- If an OTS-supplied template is not used, or is substantially changed, a draft press release shall be sent to the OTS PIO for approval. Optimum lead-time would be 10 days prior to the release distribution date, but should be no less than 5 working days prior to the release distribution date.

- Press releases reporting the immediate and time-valued results of grant activities such as enforcement operations are exempt from the recommended advance approval process, but still should be copied to the OTS PIO and Coordinator when the release is distributed to the press.
- Activities such as warrant or probation sweeps and court stings that could be compromised by advanced publicity are exempt from pre-publicity, but are encouraged to offer embargoed media coverage and to report the results.
- Use the following standard language in all press, media, and printed materials: Funding for this program was provided by a grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- Email the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator at least 30 days in advance, a short description of any significant grant-related traffic safety event or program so OTS has sufficient notice to arrange for attendance and/or participation in the event.
- Submit a draft or rough-cut of all printed or recorded material (brochures, posters, scripts, artwork, trailer graphics, etc.) to the OTS PIO at pio@ots.ca.gov and copy your OTS Coordinator for approval 14 days prior to the production or duplication.
- Space permitting, include the OTS logo, on grant-funded print materials; consult your OTS Coordinator for specifics and format-appropriate logos.
- Contact the OTS PIO or your OTS Coordinator, sufficiently far enough in advance of need, for consultation when deviation from any of the above requirements might be contemplated

C. Phase 3 – Data Collection & Reporting (Throughout Grant Year)

1. Prepare and submit invoice claims (due January 30, April 30, July 30, and October 30)
2. Prepare and submit Quarterly Performance Reports (QPR) (due January 30, April 30, July 30, and October 30)

- Collect and report quarterly, appropriate data that supports the progress of goals and objectives.
- Provide a brief list of activity conducted, procurement of grant-funded items, and significant media activities. Include status of grant-funded personnel, status of contracts, challenges, or special accomplishments.
- Provide a brief summary of quarterly accomplishments and explanations for objectives not completed or plans for upcoming activities.
- Collect, analyze and report statistical data relating to the grant goals and objectives.

4. METHOD OF EVALUATION

Using the data compiled during the grant, the Grant Director will complete the "Final Evaluation" section in the fourth/final Quarterly Performance Report (QPR). The Final Evaluation should provide a brief summary of the grant's accomplishments, challenges and significant activities. This narrative should also include whether goals and objectives were met, exceeded, or an explanation of why objectives were not completed.

5. ADMINISTRATIVE SUPPORT

This program has full administrative support, and every effort will be made to continue the grant activities after grant conclusion.

FUND NUMBER	CATALOG NUMBER (CFDA)	FUND DESCRIPTION	TOTAL AMOUNT
164AL-21	20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	$69,000.00
402PT-21	20.600	State and Community Highway Safety	$40,000.00

COST CATEGORY	FUND NUMBER	UNIT COST OR RATE	UNITS	TOTAL COST TO GRANT
A. PERSONNEL COSTS				
Positions and Salaries **Straight Time**				$0.00
Overtime				
DUI/DL Checkpoints	164AL-21	$9,500.00	2	$19,000.00
DUI Saturation Patrols	164AL-21	$3,100.00	12	$37,200.00
Collaborative DUI Enforcement	164AL-21	$1,800.00	2	$3,600.00
Traffic Enforcement	402PT-21	$2,200.00	5	$11,000.00
Distracted Driving	402PT-21	$2,060.00	2	$4,120.00
Motorcycle Safety	402PT-21	$2,100.00	1	$2,100.00
Pedestrian and Bicycle Enforcement	402PT-21	$2,100.00	4	$8,400.00
Collaborative Traffic Enforcement	402PT-21	$1,500.00	2	$3,000.00
Category Sub-Total				$88,420.00
B. TRAVEL EXPENSES				
In State Travel	402PT-21	$3,500.00	1	$3,500.00
				$0.00
Category Sub-Total				$3,500.00
C. CONTRACTUAL SERVICES				
				$0.00
Category Sub-Total				$0.00
D. EQUIPMENT				
				$0.00
Category Sub-Total				$0.00
E. OTHER DIRECT COSTS				
DUI Checkpoint Supplies	164AL-21	$3,040.00	1	$3,040.00
Phlebotomist	164AL-21	$440.00	14	$6,160.00
Lidar Device	402PT-21	$3,000.00	2	$6,000.00
Flashing Beacons	402PT-21	$20.00	24	$480.00
Digital Camera	402PT-21	$700.00	2	$1,400.00
Category Sub-Total				$17,080.00
F. INDIRECT COSTS				
				$0.00
Category Sub-Total				$0.00
GRANT TOTAL				**$109,000.00**

BUDGET NARRATIVE
PERSONNEL COSTS DUI/DL Checkpoints - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
DUI Saturation Patrols - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Collaborative DUI Enforcement - Overtime for grant funded Collaborative DUI Enforcement operations conducted by appropriate department personnel
Traffic Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Distracted Driving - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Motorcycle Safety - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Pedestrian and Bicycle Enforcement - Overtime for grant funded law enforcement operations conducted by appropriate department personnel.
Collaborative Traffic Enforcement - Overtime for grant funded Collaborative Traffic Enforcement operations conducted by appropriate department personnel
TRAVEL EXPENSES In State Travel - Costs are included for appropriate staff to attend conferences and training events supporting the grant goals and objectives and/or traffic safety. Local mileage for grant activities and meetings is included. Anticipated travel may include the Lifesavers conference in Long Beach, CA. All conferences, seminars or training not specifically identified in the Budget Narrative must be approved by OTS. All travel claimed must be at the agency approved rate. Per Diem may not be claimed for meals provided at conferences when registration fees are paid with OTS grant funds.
CONTRACTUAL SERVICES -
EQUIPMENT -
OTHER DIRECT COSTS DUI Checkpoint Supplies - On-scene supplies needed to conduct sobriety checkpoints. Costs may include 28" traffic cones, MUTCD compliant traffic signs, MUTCD compliant high visibility vests (maximum of 10), traffic counters (maximum of 2), generator, gas for generators, lighting, reflective banners, electronic flares, PAS device supplies, heater, propane for heaters, fan, anti-fatigue mats, and canopies. Additional items may be purchased if approved by OTS. The cost of food and beverages will not be reimbursed.
Phlebotomist - To draw and collect blood samples from suspected DUI drivers on scene as evidence in support of DUI convictions in a court of law.
Lidar Device - Light detection and ranging device used to measure the speed of motor vehicles. This device will be used for speed enforcement.
Flashing Beacons - Flashing lights to increase visual awareness of a traffic sign or signal. Costs may include modifications and accessories. Installation is at the expense of the grantee.

Digital Camera - For use in capturing images while conducting grant related activities, such as enforcement operations, crash scenes, educational events/activities, and to aid in prosecution of DUI cases. Costs may include accessories such as memory card, carrying case and tripod.

INDIRECT COSTS

-

STATEMENTS/DISCLAIMERS

There will be no program income generated from this grant.

Nothing in this “agreement” shall be interpreted as a requirement, formal or informal, that a particular law enforcement officer issue a specified or predetermined number of citations in pursuance of the goals and objectives here under.

CERTIFICATIONS AND ASSURANCES
HIGHWAY SAFETY GRANTS
(23 U.S.C. CHAPTER 4 AND SEC. 1906, PUB. L. 109-59, AS AMENDED)

Failure to comply with applicable Federal statutes, regulations, and directives may subject Grantee Agency officials to civil or criminal penalties and/or place State in a high-risk grantee status in accordance with 49 CFR 18.12.

The Officials named on the grant agreement signature page, that the Grantee Agency complies with all applicable Federal statutes, regulations, and directives and State rules, guidelines, policies and laws in effect with respect to the periods for which it receives grant funding. Applicable provisions include but are not limited to the following:

GENERAL REQUIREMENTS

- 23 U.S.C. Chapter 4 – Highway Safety Act of 1966, as amended
- 2 CFR part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 49 CFR Part 18- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- 23 CFR part 1300 – Uniform Procedures for State Highway Safety Grant Programs

NONDISCRIMINATION
(**applies to subrecipients as well as States)**
The State highway safety agency will comply with all Federal statutes and implementing regulations relating to nondiscrimination ("Federal Nondiscrimination Authorities"). These include but are not limited to:
• **Title VI of the Civil Rights Act of 1964** (42 U.S.C. 2000d *et seq.,* 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin) and 49 CFR part 21;
• **The Uniform Relocation Assistance and Real Property Acquisition Policies** Act of 1970, (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
• **Federal-Aid Highway Act of 1973**, (23 U.S.C. 324 *et seq.),* **and Title IX of the Education Amendments of 1972**, as amended (20 U.S.C. 1681-1683 and 1685-1686) (prohibit discrimination on the basis of sex);
• **Section 504 of the Rehabilitation Act of 1973**, (29 U.S.C. 794 *et seq.),* as amended, (prohibits discrimination on the basis of disability) and 49 CFR part 27;
• **The Age Discrimination Act of 1975**, as amended, (42 U.S.C. 6101 *et seq.),* (prohibits discrimination on the basis of age);
• **The Civil Rights Restoration Act of 1987**, (Pub. L. 100-209), (broadens scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal aid recipients, subrecipients and contractors, whether such programs or activities are Federally-funded or not);
• **Titles II and III of the Americans with Disabilities Act** (42 U.S.C. 12131-12189) (prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing) and 49 CFR parts 37 and 38;
• **Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations** (prevents discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations); and

• **Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency** (guards against Title VI national origin discrimination/discrimination because of limited English proficiency (LEP) by ensuring that funding recipients take reasonable steps to ensure that LEP persons have meaningful access to programs (70 FR 74087-74100).

The State highway safety agency—

• Will take all measures necessary to ensure that no person in the United States shall, on the grounds of race, color, national origin, disability, sex, age, limited English proficiency, or membership in any other class protected by Federal Nondiscrimination Authorities, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any of its programs or activities, so long as any portion of the program is Federally-assisted;

• Will administer the program in a manner that reasonably ensures that any of its subrecipients, contractors, subcontractors, and consultants receiving Federal financial assistance under this program will comply with all requirements of the Non-Discrimination Authorities identified in this Assurance;

• Agrees to comply (and require its subrecipients, contractors, subcontractors, and consultants to comply) with all applicable provisions of law or regulation governing US DOT's or NHTSA's access to records, accounts, documents, information, facilities, and staff, and to cooperate and comply with any program or compliance reviews, and/or complaint investigations conducted by US DOT or NHTSA under any Federal Nondiscrimination Authority;

• Acknowledges that the United States has a right to seek judicial enforcement with regard to any matter arising under these Non-Discrimination Authorities and this Assurance;

• Agrees to insert in all contracts and funding agreements with other State or private entities the following clause:

"During the performance of this contract/funding agreement, the contractor/funding recipient agrees—

a. To comply with all Federal nondiscrimination laws and regulations, as may be amended from time to time;

b. Not to participate directly or indirectly in the discrimination prohibited by any Federal non-discrimination law or regulation, as set forth in appendix B of 49 CFR part 2l and herein;

c. To permit access to its books, records, accounts, other sources of information, and its facilities as required by the State highway safety office, US DOT or NHTSA;

d. That, in event a contractor/funding recipient fails to comply with any nondiscrimination provisions in this contract/funding agreement, the State highway safety agency will have the right to impose such contract/agreement sanctions as it or NHTSA determine are appropriate, including but not limited to withholding payments to the contractor/funding recipient under the contract/agreement until the contractor/funding recipient complies; and/or cancelling, terminating, or suspending a contract or funding agreement, in whole or in part; and

e. To insert this clause, including paragraphs (a) through (e), in every subcontract and subagreement and in every solicitation for a subcontract or sub-agreement, that receives Federal funds under this program.

POLITICAL ACTIVITY (HATCH ACT)
(applies to subrecipients as well as States)

The state will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

CERTIFICATION REGARDING FEDERAL LOBBYING
(applies to subrecipients as well as States)

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

3. The undersigned shall require that the language of this certification be included in the award documents for all sub-award at all tiers (including subcontracts, subgrants, and contracts under grant, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

RESTRICTION ON STATE LOBBYING
(applies to subrecipients as well as States)
None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION
(applies to subrecipients as well as States)
Instructions for Primary Tier Participant Certification (States)
1. By signing and submitting this proposal, the prospective primary tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective primary tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary tier participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.

4. The prospective primary tier participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary tier participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms *covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded*, as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary tier participant further agrees by submitting this proposal that it will include the clause titled “Instructions for Lower Tier Participant Certification” including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion—Lower Tier Covered Transaction,” provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (https://www.sam.gov/).

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency may terminate the transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Tier Covered Transactions

(1) The prospective primary tier participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

(2) Where the prospective primary tier participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.
Instructions for Lower Tier Participant Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms *covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded*, as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled “Instructions for Lower Tier Participant Certification” including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (https://www.sam.gov/).

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

BUY AMERICA ACT
(applies to subrecipients as well as States)
The State and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase with Federal funds only steel, iron and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification for approval by the Secretary of Transportation.

PROHIBITION ON USING GRANT FUNDS TO CHECK FOR HELMET USAGE
(applies to subrecipients as well as States)
The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcyclists.

POLICY ON SEAT BELT USE
In accordance with Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, the Grantee is encouraged to adopt and enforce on-the-job seat belt use policies and programs for its employees when operating company-owned, rented, or personally-owned vehicles. The National Highway Traffic Safety Administration (NHTSA) is responsible for providing leadership and guidance in support of this Presidential initiative. For information and resources on traffic safety programs and policies for employers, please contact the Network of Employers for Traffic Safety (NETS), a public-private partnership dedicated to improving the traffic safety practices of employers and employees. You can download information on seat belt programs, costs of motor vehicle crashes to employers, and other traffic safety initiatives at www.trafficsafety.org. The NHTSA website (www.nhtsa.gov) also provides information on statistics, campaigns, and program evaluations and references.

POLICY ON BANNING TEXT MESSAGING WHILE DRIVING
In accordance with Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, and DOT Order 3902.10, Text Messaging While Driving, States are encouraged to adopt and enforce workplace safety policies to decrease crashes caused by distracted driving, including policies to ban text messaging while driving company-owned or rented vehicles, Government-owned, leased or rented vehicles, or privately-owned vehicles when on official Government business or when performing any work on or behalf of the Government. States are also encouraged to conduct workplace safety initiatives in a manner commensurate with the size of the business, such as establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving, and education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

INSTRUCTIONS FOR ADDING OR UPDATING GEMS USERS

1. Each agency is allowed a total of **FIVE (5) GEMS Users**.
2. GEMS Users listed on this form will be authorized to login to GEMS to complete and submit Quarterly Performance Reports (QPRs) and reimbursement claims.
3. Complete the form if adding, removing or editing a GEMS user(s).
4. The Grant Director, Fiscal Official or Authorizing Official must sign and return it with the Grant Agreement.

Grant Details	
Grant Number:	PT21105
Agency Name:	Montebello Police Department
Grant Title:	Selective Traffic Enforcement Program (STEP)
Agreement Total:	$109,000.00
Authorizing Official:	Brad Keller
Fiscal Official:	Luis Lopez
Grant Director:	Vanessa Nava

Current GEMS User(s)

1. David Kim
Title: Lieutenant
Phone: (323) 887-1200 ext. 231
Email: dkim@cityofmontebello.com
Media Contact: Yes

2. Vanessa Nava
Title: Grants and Project Administrator
Phone: (323) 887-1200 x238
Email: vpadilla@cityofmontebello.com
Media Contact: Yes

3. Steve Sharpe
Title: Sergeant
Phone: (323) 480-4000 ext. 311
Email: ssharpe@cityofmontebello.com
Media Contact: Yes

Complete the below information if adding, removing or editing a GEMS user(s)

GEMS User 1 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 2 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 3 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 4 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
GEMS User 5 Add/Change ☐ Remove Access ☐	Add as a media contact? Yes ☐ No ☐
Name	Job Title
Email address	Phone number
Form completed by:	Date:
As a signatory I hereby authorize the listed individual(s) to represent and have GEMS user access.	
Signature	Name
Date	Title

ITEM # 20

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: James Enriquez, P.E., Director of Public Works / City Engineer

SUBJECT: **Authorize the City Manager to Execute a Professional Services Agreement with Onward Engineering for Public Works Inspection and Construction Management Services for the Arroyo Dr. Street Improvements Project (CP-858), RFP No. 20-5**

DATE: September 23, 2020

RECOMMENDATIONS:

It is recommended that the City Council:

1) Authorize the City Manager to execute a Professional Services Agreement with Onward Engineering for Public Works inspection and construction management services for the subject project in an amount not-to-exceed $85,933; and,

2) Amend the Fiscal Year 2020-21 budget by increasing appropriations by $85,933 in the Gas Tax Fund (Account No. 200-99-6040.95, Other Professional Services; and,

3) Take such additional, related, actions that may be desirable.

BACKGROUND

As part of the City's Capital Improvement Program (CIP) Budget, the City of Montebello has allocated $1,239,085 [Measure R - $146,045, STPL Funds - $1,063,000 and Prop C – $30,040] for pavement rehabilitation, concrete repairs (ADA ramps, sidewalk, curb and gutter, and driveway aprons), storm drain improvements, utility adjustment, traffic signal loops, pavement markings, and other-related improvements. The approximate limits of the project are from Astra Avenue to Rose Glen Avenue.

On February 12, 2020, the City issued Request for Proposal (RFP) No. 20-5 for Public Works inspection and construction management services in connection with the subject project. The solicitation was advertised on PlanetBids. A copy of the RFP is available in the City Clerk's Office.

On March 17, 2020, the City received four (4) proposals in response to RFP No. 20-5.

ANALYSIS

Staff reviewed and evaluated the submitted proposals as prescribed in the RFP. The proposals were evaluated based upon several factors. These factors include the format, organization, and presentation of the proposal, project understanding, and the qualifications and experience of the proposed staff.

The resulting scores were as follows:

Onward Engineering (91.5)
Gk & Associates (86)
dSantana Arquitectura and VCA Engineers, Inc. (81.5)
American Laboratories, Inc. (79.5)

Based on the proposals submitted by each firm, Onward Engineering was selected as the most qualified firm meeting the project requirements. The fee was negotiated with Onward Engineering following the qualification-based selection, in accordance with California's Mini-Brooks Act (Sections 4525 through 4529.5 of the Government Code).

FISCAL IMPACT

The not-to-exceed fee negotiated with Onward Engineering for the proposed services listed in RFP No. 20-5 is $85,933. The fee will be paid from Gas Tax funds, Account No. 200-99-6040.95, Other Professional Services. The Fiscal Year 2020-21 budget will be amended by increasing appropriations to pay for the services.

SUMMARY

Upon review and analysis of the four (4) responses to the City's Request for Proposal (RFP) No. 20-5 for Public Works inspection and construction management services in connection with the subject project, staff recommends awarding a professional services agreement to Onward Engineering for the negotiated not-to-exceed fee of $$85,933 and amending the FY 2020-21 budget by increasing appropriations in Account No 200-99-6040.95 (Gas Tax Fund, other Professional Services).

ATTACHMENT(S):

Attachment A - Professional Services Agreement

AGREEMENT NO. _____
PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF MONTEBELLO AND
ONWARD ENGINEERING

1. IDENTIFICATION

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into by and between the City of Montebello, a California municipal corporation ("City") and Onward Engineering, a California Corporation, ("Consultant"). City and Consultant are sometimes hereinafter individually referred to as a "Party" and collectively referred to as "Parties."

2. RECITALS

2.1 City has determined that it requires Public Works Inspection and Construction Management Services for the City of Montebello.

2.2 Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the performance by the Parties of the mutual covenants and conditions herein contained, the Parties hereto agree as follows:

3. DEFINITIONS

3.1 "Scope of Services": Such professional services as are set forth in the Consultant's March 17, 2020 proposal to the City and the Scope of Work attached hereto as Exhibit "A" and incorporated herein by this reference.

3.2 "Approved Fee Schedule:" Such compensation rates as are set forth in the Consultant's Fee Proposal to City attached hereto as Exhibit "B."

3.3 "Commencement Date:" That certain date on which the Agreement is executed by both Parties following its approval by the City Council of the City of Montebello.

4. TERM OF AGREEMENT

The term of this Agreement shall commence on the Commencement Date and shall continue until terminated in accordance with Section 22 below. Notwithstanding anything in this Agreement, this Agreement shall automatically terminate after two (2) years unless extended by the Parties in writing. Nothing in the Section shall operate

to prohibit or otherwise restrict the City's ability to terminate this Agreement at any time for convenience or for cause.

5. CONSULTANT'S SERVICES

5.1 Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

5.2 Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the general geographical area of the City. Consultant shall prepare all work products required by this Agreement in a substantial, first class manner and shall conform to the standards of quality normally observed by a practitioner in Consultant's profession.

6. COMPENSATION

6.1 City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum of Eighty-five Thousand, Nine Hundred Thirty two Dollars and Fifty Cents ($85,932.50) unless specifically approved in advance, in writing, by City.

6.2 Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due, including timesheets with detailed hourly billings with a description of the tasks performed. Within ten (10) business days of receipt of each invoice, City shall notify Consultant in writing of any disputed amounts included on the invoice. Within thirty (30) calendar days of receipt of each invoice, City shall pay all undisputed amounts included on the invoice. City shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.

6.3 Payments for any services requested in writing by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant's standard fee schedule. Fees for such additional services shall be paid within sixty (60) days of the date Consultant issues an invoice to City for such services.

7. BUSINESS LICENSE

Consultant shall obtain a City business license prior to commencing performance under this Agreement.

8. COMPLIANCE WITH LAWS

Consultant shall keep informed of State, Federal and Local laws, ordinances, codes and regulations that in any manner affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. The Consultant shall at all times comply with such laws, ordinances, codes and regulations. Without limiting the generality of the foregoing, if Consultant is an out-of-state corporation or LLC, it must be qualified and registered to do business in the State of California pursuant to sections 2105 and 17708.02 of the California Corporations Code. The City, its officers and employees shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

9. CONFLICT OF INTEREST

Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by Consultant under this Agreement, or which would conflict in any manner with the performance of its services hereunder. During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if both: (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute; and (ii) City has not consented in writing prior to Consultant's performance of such work.

10. PERSONNEL

Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Consultant reserves the right to determine the assignment of its own employees to the performance of Consultant's services under this Agreement, but City reserves the right, for good cause, to require Consultant to exclude any employee from performing services on City's premises. Muhammad Ataya shall be Consultant's project manager and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project manager without City's prior written consent.

11. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("Written Products") developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant. If any state, federal, or local law requires mandatory copyright protection for Consultant's work product, City shall comply with such laws to the extent feasible.

12. INDEPENDENT CONTRACTOR

12.1 Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its officers, employees or agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not at any time represent that it is, or that any of its agents or employees are, in any manner employees of City.

12.2 The Parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship, joint-employer relationship, or any other relationship between Consultant or Consultant's employees except as set forth in this Agreement.

12.3 City shall have no direct or indirect control over Consultant's employees or sub-consultants with respect to wages, hours, and working conditions. In addition, City shall not deduct from the Compensation paid to Consultant any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to Consultant, Consultant's employees or subconsultants. City shall have no responsibility to provide Consultant, its employees or subconsultants with workers' compensation insurance or any other insurance.

12.4 The Parties further acknowledges the following: (i) that Consultant shall provide the services outlined in the Scope of Services directly to City; (ii) Consultant maintains a business location at the address listed under Section 20 that is separate and distinct from the City; (iii) Consultant contracts with other businesses to provide the same or similar services and maintains a clientele without restriction from the City; (iv) Consultant advertises and holds itself out to the public as available to provide the same or similar services; (v) unless otherwise specified in this Agreement, Consultant provides its own tools, vehicles, and equipment necessary for performing the Scope of Services; (vi) Consultant has proposed and negotiated its own rates; and (vii) consistent with the nature and demands of the project and the City's business hours

and City staff availability, Consultant may set its own hours and location of work.

13. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data and any copies thereof shall be returned to City upon the termination or expiration of this Agreement.

14. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES

No official or employee of the City shall be personally liable to Consultant in the event of any default or breach by City, or for any amount which may become due to Consultant.

15. INDEMNIFICATION

15.1 The Parties agree that City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the fullest protection possible under the law to City. Consultant acknowledges that City would not enter into this Agreement in the absence of Consultant's commitment to indemnify and protect City as set forth herein. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

15.2 To the full extent permitted by law, Consultant shall indemnify, hold harmless and defend City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers from and against any and all claims, demands, lawsuits, causes of action, losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from or arising out of any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or subconsultants in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice and expert witness fees and consultant fees.

15.3 City shall have the right to offset against the amount of any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Section 15 or related to Consultant's failure to either: (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

15.4 The obligations of Consultant under this Section 15 will not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

15.5 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 15 from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers from and against any and all claims, demands, lawsuits, causes of action, losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from or arising out of any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subconsultants or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice and expert witness fees and consultant fees.

15.6 City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

15.7 **PERS ELIGIBILITY INDEMNITY.** In the event that Consultant or any employee, agent, or subconsultant of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subconsultants,

as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subconsultants providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

16. INSURANCE

16.1 During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

16.1.1 Comprehensive general liability, and Umbrella or Excess Liability Insurance covering all operations by or on behalf of Consultant providing insurance for bodily injury liability and property damage liability in the amount of One Million Dollars ($1,000,000) per occurrence combined single limit; Two Million Dollars ($2,000,000) aggregate for products/completed operation; Two Million Dollars ($2,000,000) general aggregate (General aggregate must apply separately to Consultant's work under this Agreement.); and Five Million Dollars ($5,000,000) umbrella or excess liability.

16.1.2 Automobile Liability Insurance for owned, hired and non-owned vehicles utilized by Consultant, its employees or subconsultants, in the amount of One Million Dollars ($1,000,000) per accident for bodily injury and property damage.

16.1.3 Worker's Compensation Insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than One Million Dollars ($1,000,000) per accident for bodily injury or disease.

16.1.4 Professional Liability Insurance against errors and omissions in the performance of the work under this Agreement with coverage limits of not less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate.

16.2 Consultant shall require each of its subconsultants, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

16.3 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

16.4 Consultant agrees that if it does not keep the aforesaid insurance in full force and effect City may either: (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

16.5 At all times during the term of this Agreement, Consultant shall maintain on file with City's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and, for the general liability and automobile liability policies, naming the City as an additional insured. Consultant shall, prior to commencement of work under this Agreement, file with City's Risk Manager such certificate(s).

16.6 Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall provide such proof to City at least two weeks prior to the expiration of the coverages.

16.7 The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

16.8 The general liability and automobile policies of insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

16.9 All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subconsultants, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.

16.10 Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall

procure a bond guaranteeing payment of losses and expenses.

16.11 Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 15 of this Agreement.

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

17. MUTUAL COOPERATION

17.1 City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available to City for the proper performance of Consultant's services under this Agreement.

17.2 In the event any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require.

18. RECORDS AND INSPECTIONS

Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

19. PERMITS AND APPROVALS

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary in the performance of this Agreement. This includes, but shall not be limited to, encroachment permits and building and safety permits and inspections.

20. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile, email, or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by

mail, postage prepaid, to the addresses listed below (or to such other addresses as the Parties may, from time to time, designate in writing).

If to City:

James Enriquez, P.E.
Public Works Director/City Engineer
City of Montebello
1600 W. Beverly Blvd.,
Montebello, CA 90640
Phone: (323) 887-1200 Ext.462
Email: jenriquez@cityofmontebello.com

If to Consultant:

Muhammad Ataya, MPA
Onward Engineering
300 S. Harbor Blvd.
Suite 814
Anaheim, CA 92805
Phone:(714) 533-3050 Ext. 713
Email: muataya@oe-eng.com

With a courtesy copy to:
Arnold M. Alvarez-Glasman, City Attorney
13181 Crossroads Parkway North
Suite 400 - West Tower
City of Industry, CA 91746
Facsimile: (562) 692-2244

21. SURVIVING COVENANTS

The Parties agree that the covenants contained in Sections 13, 15 and Paragraph 17.2 of Section 17, of this Agreement shall survive the expiration or termination of this Agreement.

22. TERMINATION

22.1. City shall have the right to terminate this Agreement for any reason on five (5) calendar days' written notice to Consultant. Consultant shall have the right to terminate this Agreement for any reason on sixty (60) calendar days' written notice to City. The effective date of termination shall be upon the date specified in the notice of termination. Consultant agrees that in the event of such termination, City's obligation to pay Consultant shall be limited to payment only for those services satisfactorily rendered, as solely determined by the City, prior to the effective date of termination. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

22.2 If City terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed, as solely determined by the City, at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

23. ASSIGNMENT

Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any Party other than Consultant.

24. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

24.1 In the performance of this Agreement, Consultant shall not discriminate against any employee, subconsultant, or employment applicant because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation. Consultant will take affirmative action to ensure that subconsultants, employees, and employment applicants are treated without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

24.2 Consultant will, in all solicitations or advertisements for employees placed by or on behalf of Consultant state either that it is an equal opportunity employer or that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

24.3 Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement except contracts or subcontracts for standard commercial supplies or raw materials.

25. WARRANTIES

25.1 Each Party has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement or been provided with an opportunity to receive independent legal advice and has freely and voluntarily waived and relinquished the right to do so. Each Party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such Party's failure to perform under this Agreement.

25.2 In executing this Agreement, each Party has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever.

25.3 It is agreed that each Party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either Party has the full right and authority to fully commit and bind such Party to the provisions of this Agreement.

26. CAPTIONS

26.1 The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement.

26.2 Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

27. NON-WAIVER

27.1 The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. In no event shall the making by City of any payment to Consultant constitute or be construed as a waiver by City of any breach of covenant, or any default which may then exist on the part of Consultant, and the making of any such payment by City shall in no way impair or prejudice any right or remedy available to City with regard to such breach or default. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

27.2 Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement

of the exercise, or the forbearance of the exercise by any Party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such Party of any of all of such other rights, powers or remedies.

27.3 Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

28. COURT COSTS AND ATTORNEY FEES

In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the Party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees and expert witness fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Los Angeles County, California.

29. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

30. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

31. COUNTERPARTS

This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile or email transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the Party whose signature appears in the facsimile or email and shall be binding upon such Party in the same manner as though an originally signed copy had been delivered.

32. ENTIRE AGREEMENT

All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the Parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

[*Signatures on the following page*]

TO EFFECTUATE THIS AGREEMENT, the Parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

"CITY" CITY OF MONTEBELLO	"CONSULTANT" ONWARD ENGINEERING
_____ René Bobadilla, City Manager	_____ Majdi Ataya, President & CEO
Dated: _____	Dated: _____
ATTEST:	**APPROVED AS TO FORM:**
_____ Irma Barajas, City Clerk	_____ Arnold M. Alvarez-Glasman, City Attorney

SCOPE OF WORK

OE has reviewed the project limits, RFQ, and plans and specifications, to identify the scope of work which will be required for this project. The scope of work is split into three phases, Phase 1: Pre-Construction, Phase 2: Construction, and Phase 3: Post-Construction. What follows is a breakdown of each phase and task along with deliverables and benefits.

PHASE 1: PRE-CONSTRUCTION

1 CONSTRUCTABILITY REVIEW

DELIVERABLES: Plans & specification markup.

CM The CM will review the PS&E to become familiar with the project. The CM will run the initiation of project controls at this phase as well as review and comment on the Contractor's preliminary schedule, submittals, and notifications to utilities. The CM will arrange and conduct pre-construction meetings and answer questions from the City and businesses.

IOR The Construction Inspector will review the PS&E and become familiar with the Contractor's preliminary schedule while making suggestions to the CM. The inspector will also attend pre-construction meeting and answer questions as necessary.

BENEFITS Allows our team to convey all project specific information and key items and allows the OE team to gain a clear understanding of the project requirements and City goals.

2 RFI COORDINATION

DELIVERABLES: RFI responses & RFI log.

CM The CM will review RFI's, samples, shop drawings, and coordinate with the project designer for interpretation. The CM will also conduct meetings with the Contractor to discuss and resolve any RFIs.

IOR The Construction Inspector will review PS&E and become familiar with the Contractor's preliminary schedule while making suggestions to the CM. The inspector will also attend pre- construction meeting and answer questions as necessary.

BENEFITS Quick and accurate responses to Contractor to minimize delays.

3 SUBMITTAL REVIEW

DELIVERABLES: Submittal Log-Stamped Submittals-Submittal Recommendations.

CM The CM will process/track submittals, shop drawings, and revisions, and review estimates for reasonableness and cost effectiveness.

Cont'd: Task 3-Submittal Review

IOR The Construction Inspector will provide aid with background, clarifications, and provide field information as necessary.

BENEFITS Ensures all contractor materials, methods and notices comply with PS&E.

PHASE 2: CONSTRUCTION

4 BI-WEEKLY PROGRESS MEETINGS

DELIVERABLES: Meeting Agenda-Minutes-Weekly Statement of Calendar Working Days Report-Status Reports.

CM The CM will schedule/conduct weekly progress and dispute resolution meetings as necessary to discuss contract issues, procedures, progress, problems, CCOs, submittals, RFIs, deficiencies and schedules. These meetings will be conducted weekly at the initial stages, and then may transition to biweekly.

IOR The Construction Inspector will attend weekly (or bi-weekly) progress meetings to communicate, coordinate and resolve any issues that may arise at the job site.

BENEFITS Allows open discussion of milestones and issues to ensure compliance with the City's PS&E.

5 PROJECT SCHEDULE REVIEW

DELIVERABLES: Construction schedule updates.

CM The CM will review schedule updates. The CM will compare work progress with planned schedule and notify the Contractor of any slippages and pursue options to get the Contractor back on schedule. The CM will obtain weekly updates from Contractor that incorporate progress, weather delays, and CCO impacts. The CM will assist the City in negotiating time extensions and submit monthly progress reports to the City with a narrative on the progress and complete Earned Value Analysis.

IOR The Construction Inspector will review construction progress schedules regularly, verify schedules are on track, identify deviations, and ensure corrective actions are taken to bring the project back on schedule.

BENEFITS Provides a solid baseline schedule for planning and analysis of the project.

6 WATER QUALITY & SWPPP

IOR The Construction Inspector shall monitor and enforce the Contractor compliance with Water Quality Control Plans. The Inspector will also oversee Contractor's Storm Water Pollution Prevention (SWPPP) responsibilities.

Cont'd: Task 6-Water Quality & SWPPP

BENEFITS Clear communication and records to Contractor.

7 COMMUNITY COORDINATION

DELIVERABLES: Community Coordination Records (to include name, contact, phone number & address)-Discussion Notes, including date of discussion & action taken.

CM The CM shall serve as primary contact and authority for this task. The CM will respond to questions and concerns of community, and coordinate with the Inspector to ensure project notices and signs are updated. The CM will assist the City with coordinating services of other consultants and review Public Notices to ensure accuracy and to avoid business impacts. The CM will notify the City's Project Manager of any significant issue, and work with the Inspector to compile a log of all queries and discussions with the community.

ICO The Construction Inspector will work with the Contractor to update signs within project limits, and coordinate with the Contractor, safe and acceptable access to adjacent stakeholder properties during construction. The Inspector will coordinate the mitigation of construction impacts with all necessary parties, and ensure all Public Notices are distributed to each person or business affected by the project.

BENEFITS Minimizes construction impact to residents and businesses.

8 CONSTRUCTION INSPECTION

DELIVERABLES: Daily Reports-Weekly Statement of Working Days-Daily Photo Diary-Image Files-Video.

CM The CM will work closely with the Construction Inspector and review Daily Construction Reports (DCRs) provided by the Inspector.

IOR The Construction Inspector will provide continuous inspections, so that the project would be constructed per specifications. The Construction Inspector will also prepare DCRs and WSWD, monitor compliance with City's Construction Demolition & Recycling Ordinance, review soil compaction and materials testing certifications of compliance, and coordinate with the City regarding quality of work completed.

BENEFITS Ensures active jobsite monitoring with documentation and project progress. Also, provides notes on labor, weather, progress, key items, and field observations. Clear documentation of existing condition, progress of construction, and final field conditions.

9 TRAFFIC CONTROL

DELIVERABLES: Traffic control notes.

IOR The Construction Inspector will coordinate with the CM and will provide inspection of traffic-related work and installations, monitor traffic control to maintain pedestrian and vehicular safety, with minimal disruption, safe access, control of traffic, and provide inspection of all traffic-related work.

BENEFITS Allows us to maintain safe traffic flows during construction.

10 JOB SAFETY COMPLIANCE

DELIVERABLES: Safety infraction reports.

CM The CM will work with the contractor to implement job safety procedures in compliance with CAL-OSHA requirements, and monitor Contractor's compliance with established safety protocol.

IOR The Construction Inspector will monitor job safety procedures in compliance with CAL-OSHA requirements, monitor the Contractor's compliance with established safety program, document deficiencies and hazards, and investigate, report on accidents, observe construction safety, public safety and convenience, and report discovered problems to the City.

BENEFITS Ensures a safe and successful construction project from inception to completion. Also, ensure full federal, state and local safety standard compliance.

11 CHANGE ORDERS

DELIVERABLES: Change order notes & recommendations.

CM The CM will establish, implement and coordinate systems for processing all contract change orders. The CM will review and evaluate, via an independent cost estimate, cost proposals submitted by the contractor for all contract change orders. The CM will negotiate CCO and prepare using City's standard format and give recommendations. Quantity and cost analysis will be performed for negotiation of CCOs. The CM will also analyze any additional claims and perform claims administration including monitoring, logging, and tracking claim status. The CM will also evaluate cost reduction proposals and provide recommendations to the City.

IOR The Construction Inspector will maintain data for change orders and record information regarding time of dispute, time of notification by contractor.

BENEFITS Provides a clear documentation review and recommendation for change orders to maximize value of contract.

12 PROGRESS PAYMENTS

DELIVERABLES: Ensure accurate records are kept of the quantities installed and provides back-up.

CM The CM will track quantities of work completed for progress payment, develop & implement procedures for review & process of progress payment applications, assist the City with review, certification, and process of payments. The CM will keep track of monthly progress and access the contractors' progress payment applications. If the CM notes any discrepancies, the differences will be negotiated with the contractor before processing payments through the City's PM.

BENEFITS Provide accurate measurements of work completed by the Contractor.

13 LABOR COMPLIANCE

DELIVERABLES: Certified Payroll Records-Construction Manager-Payroll Review Notes-Employee Interview Forms-Interview Reports

CM The CM will monitor compliance with Prevailing Wages and ensure compliance with Federal Labor Laws & the Davis- Bacon Act. The CM will ensure contractors submit certified payroll reports and that labor/hours reported by the Contractor match DCRs.

IOR The Construction Inspector will conduct field construction employee interviews and verify & document job-site posting of wage rate information & labor compliance posters.

BENEFITS Ensures full grant funding compliance.

14 CONSTRUCTION DOCUMENTATION

DELIVERABLES: City will receive digital copies of construction documents.

CM The CM will establish job control documents: DCRs, weekly & bi-weekly status reports, weekly statement of working days, construction change orders, certified payroll records and labor compliance documents. The CM will receive, log, and document monthly construction payments, material receipts, weigh certificates, and material submittals.

IOR The Construction Inspector will maintain coordination with the CM for all project records, including: DCRs, correspondence, submittals, CCOs, progress payments, Lab and Field Test Reports, Materials Delivery Tickets and Compliance Certification, Progress Reports, Progress Photos, and Meeting Minutes, guarantees, certifications, affidavits, leases, easements, deeds, O&M manuals warranties, and all other necessary documents. This information is made available to the City in real time using our cloud-based system Box Enterprise.

PHASE 3: POST-CONSTRUCTION

15 FINAL WALK-THROUGH & INSPECTION

CM The CM will recommend / conduct final inspection with the City staff and project design consultant.

IOR The Construction Inspector will conduct final inspection and close-out encroachment and construction permits

BENEFITS Confirmation to stakeholders of work having been completed.

16 AS-BUILT PLANS

DELIVERABLES: Inspector's and Contractor's red-lines, designer coordination records, & final as-built documentation.

CM The CM will maintain as-built work records and activities during construction. Transmit Contractor and IOR red-lines for incorporation into As- Built Plans, review plans to ensure accuracy and quality, and deliver as- built drawings to City.

IOR The Construction Inspector will review the Contractor's as-builts daily and ensure the Contractor keeps these records up to date throughout construction. The Inspector will coordinate preparation and submittal of as-builts.

BENEFITS Representation and documentation of field changes made during construction along with accurate records.

17 PUNCH LISTS & NON-COMPLIANCE ITEMS

DELIVERABLES: Preliminary & final lists, inspector's non-compliance notice & notes.

CM The CM will issue preliminary & final punch list and monitor and follow- through with contractor until completion of punch list items. The CM will review and distribute the Inspector's notes regarding non-compliant work items and recommend mitigating procedures for fixing non-compliance. The CM will also finalize the bid items, claims, change orders, punch list items, correct shop drawings, and oversee the completion of record drawings.

IOR The Construction Inspector will prepare in-progress punch lists at completion of each project phase until completion. The Inspector will direct and notify contractors about non-compliance and correct compliance problems as discovered.

BENEFITS Clear communication and records to Contractor. All non-compliant items are noted and fixed prior to notice of completion.

18 COMPLETION RECOMMENDATIONS

DELIVERABLES: Completion recommendation and final report of completion.

CM The CM will evaluate completion of work and recommend final inspection. This includes preparing the Report of Expenditures Checklist and necessary attachments. The CM will also provide support for construction claims analysis and litigation and will be available for any audits including internal City audits.

IOR The Construction Inspector will provide notes and concurrence to the CM regarding completion of all field work.

BENEFITS Ensures that work items are completed as specified.

19 FINAL PAYMENT REQUESTS

DELIVERABLES: Final payment recommendations.

CM The CM will review and process request for final payment and release retention. Develop a reasonable cost control system, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes and identify variances between costs.

IOR The Construction Inspector will confirm final field quantities to the CM. The Inspector will provide complete measurements and calculations to administer progress payments and make recommendations for payments.

BENEFITS Ensure payment is provided to Contractor, organized cost tracking data for reference.

20 SUBMIT PROJECT FILES

DELIVERABLES: Final project files (per LAPM), final project report, as-built and digital set of drawings, and construction files.

CM The CM will maintain a project filing system in compliance with Caltrans LAPM, finalize and deliver all project files, records, exhibits, coordination documentation and submittals to the City for final review/archiving.

IOR The Construction Inspector will maintain field notes and provide all field inspection notes, as-builts, pictures, material tickets, permits and other documents.

BENEFITS Provides a sole source location for the entire project's records, active monitoring and documentation of jobsite and project progress.

EXHIBIT B

ONWARD ENGINEERING

FEE PROPOSAL

Public Works Inspection and Construction Management Services
for Arroyo Drive Improvement Project
from Astra Drive To Rose Glend Avenue
For the City of Montebello

	PROJECT TASKS	CONSTRUCTION MANAGER $142.00 hourly	CONSTRUCTION INSPECTOR $115.00 hourly	PUBLIC OUTREACH $75.00 hourly	SUB CONSULTANT LUMP SUM	TOTAL
1	PRE-CONSTRUCTION Pre-con meeting, RFIs, Constructibility Review, Submittal Review.	12	4	2		$2,314.00
2	Construction Management & Construction Inspection*	180	360			$66,960.00
3	MATERIALS TESTING Includes 15 half-day site visits, 2 asphalt gradation tests 2 asphalt specific gravity tests, 2 aggregate nase gradation tests, 2 sand equivalent tests, and 5 maximum density tests, and one report.				$10,936.50	$10,936.50
4	POST-CONSTRUCTION Final Walkthrough, Punchlist, As-Builts, Completion Recommendation, Final Payment Request, Submit Project Files and Labor Compliance Records.	16	30			$5,722.00
	GRAND TOTALS	**208**	**394**	**2**		**$85,932.50**

*OE pays all construction inspections prevailing wage in compliance with the requirements of the Department of Industrial Relations (DIR).
Hours estimated are based off of a 45 working day schedule per the specs and the City's RFP.

ITEM# 21

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO APPROVING AND ALLOWING CERTAIN CLAIMS AND DEMANDS

THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the reference is hereby made to that certain Register of Audited Demand Nos. 1497, consisting of 9 pages, and including

Warrant No.:
Checks No.: 590256 through 590445;
1471 and 1472
ACH No.: 5 and 6

On file in the office of the City Clerk, the same having been audited and approved by the Controller as required by law.

SECTION 2. That the said City Council having examined each such demand does hereby approve and direct the payment of same, as set forth in said Register, except the following Warrant No.

_____

_____

_____

SECTION 3. That the City Clerk shall certify to the adoption of this resolution and thence forth and thereafter the same shall be in full force and effect.

APPROVED AND ADOPTED THIS 23rd DAY OF SEPTEMBER, 2020.

_____
SALVADOR MELENDEZ, Mayor

ATTEST:

_____
IRMA BARAJAS, City Clerk

City of Montebello

Register of Demands No. 1497

From Payment Date: 08/28/20 - To Payment Date: 09/10/20

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
4331 - General Account					
590256	09/03/2020	$37,579.29	VEHICLE PURCHASES	1700	72 HOUR LLC
590257	09/03/2020	$126,271.41	ELECTION EXPENSE	58760	COUNTY OF LOS ANGELES
590258	09/03/2020	$2,100.00	ADVERTISING/PRINTING SERVICES	1293	923 MEDIA GROUP INC.
590259	09/03/2020	$636.54	UTILITY SERVICES	1732	AT&T CORP.
590260	09/03/2020	$1,398.91	UTILITY SERVICES	2257	AIRESPRING INC.
590261	09/03/2020	$610.00	CONTRACT SERVICES	1870	ALEX & E PARTY RENTALS
590262	09/03/2020	$1,643.54	SUPPLIES	2586	AMAZON CAPITAL SERVICES, INC.
590263	09/03/2020	$289.41	ADVERTISING/PRINTING SERVICES	35980	SAEED RADMEHR/ARTE PRINTING
590264	09/03/2020	$6,555.76	SUPPLIES	31270	STARBOARD TACK SUPPLY INC.
590265	09/03/2020	$32.88	UTILITY SERVICES	73760	AT&T TELECONFERENCE SERVICES
590266	09/03/2020	$27,910.83	CONTRACT SERVICES	16710	ATKINSON, ANDELSON, LOYA, RUUD & ROMO
590267	09/03/2020	$19,315.97	MISCELLANEOUS EXPENSE	13240	BANKCARD CENTER
590268	09/03/2020	$1,990.00	CONTRACT SERVICES	2735	BOB MARDIGIAN FLOOR COVERING
590269	09/03/2020	$2,266.65	SUPPLIES	409	CARAVAN CANOPY INT'L INC.
590270	09/03/2020	$500.00	CONTRACT SERVICES	1416	CITY OF WHITTIER
590271	09/03/2020	$13,450.00	CONTRACT SERVICES	56540	STEVE HINES NO. 1,LLC
590272	09/03/2020	$1,610.00	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
590273	09/03/2020	$1,128.61	VEHICLE MAINTENANCE/EXPENSES	990	DANIELS TIRE SERVICE
590274	09/03/2020	$40.00	SUPPLIES	1895	ESSC INC.
590275	09/03/2020	$13,600.00	CONTRACT SERVICES	41130	MIHM INC.
590276	09/03/2020	$80.71	MAIL/ POSTAL EXPENSE	22400	FEDERAL EXPRESS CORPORATION
590277	09/03/2020	$29,833.34	CONTRACT SERVICES	807	FOOTHILL COMMUNICATIONS, INC
590278	09/03/2020	$851.53	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC

City of Montebello

Register of Demands No. 1497

From Payment Date: 08/28/20 - To Payment Date: 09/10/20

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
590279	09/03/2020	$477.40	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
590280	09/03/2020	$791.35	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
590281	09/03/2020	$1,065.00	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
590282	09/03/2020	$791.35	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
590283	09/03/2020	$791.35	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
590284	09/03/2020	$743.92	VEHICLE MAINTENANCE/EXPENSES	33720	ARKAY ACQUISITION LLC
590285	09/03/2020	$240.00	ELEVATOR SERVICE	1650	GOLDEN STATE ELEVATOR SERVICE INC.
590286	09/03/2020	$11,037.18	SERVICE	1175	GRAPHIC ELECTRIC, INC.
590287	09/03/2020	$1,185.91	SERVICE	30190	I.B. AUTO PARTS, INC./HARDY AUTO PARTS
590288	09/03/2020	$61,471.93	SUPPLIES	43860	MYERS & SONS HI-WAY SAFETY INC.
590289	09/03/2020	$7,486.30	SUPPLIES	48400	HOME DEPOT CREDIT SERVICES
590290	09/03/2020	$2,912.50	CONTRACT SERVICES	2793	IBE DIGITAL
590291	09/03/2020	$2,059.53	CONTRACT SERVICES	2152	JOHNSON CONTROLS, INC.
590292	09/03/2020	$1,798.00	PERMITS AND FEES	56850	LOS ANGELES COUNTY FIRE DEPARTMENT
590293	09/03/2020	$214,840.16	CONTRACT SERVICES	2954	MANHOLE ADJUSTING INC.
590294	09/03/2020	$5,985.04	VEHICLE MAINTENANCE/EXPENSES	11490	MONTEBELLO AUTOCRAFT
590295	09/03/2020	$30.00	SUPPLIES	2958	RACHEL YVONNE HOSKINS/MP LANGUAGE SOLUTIONS
590296	09/03/2020	$9,331.89	CONTRACT SERVICES	26880	SEBASTIAN WATERWORKS, INC./MR. ROOTER PLUMBING
590297	09/03/2020	$61,192.88	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
590298	09/03/2020	$3,365.66	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY, LLC
590299	09/03/2020	$195.62	SUPPLIES	15620	OFFICE DEPOT
590300	09/03/2020	$74.77	SUPPLIES	56260	PRUDENTIAL OVERALL SUPPLY
590301	09/03/2020	$436.64	SUPPLIES	1120	NESTLE WATERS NORTH AMERICA
590302	09/03/2020	$20,000.00	CONTRACT SERVICES	61050	REDFLEX TRAFFIC SYSTEMS

City of Montebello

Register of Demands No. 1497

From Payment Date: 08/28/20 - To Payment Date: 09/10/20

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
590303	09/03/2020	$55.00	DUES & SUBSCRIPTIONS	34990	SAN GABRIEL VALLEY CITY MANAGERS' ASSOC.
590304	09/03/2020	$21,977.39	UTILITY SERVICE	14730	SAN GABRIEL VALLEY WATER COMPANY
590305	09/03/2020	$13,496.04	UTILITY SERVICE	14730	SAN GABRIEL VALLEY WATER COMPANY
590306	09/03/2020	$8,861.72	UTILITY SERVICE	14730	SAN GABRIEL VALLEY WATER COMPANY
590307	09/03/2020	$4,087.88	UTILITY SERVICE	14730	SAN GABRIEL VALLEY WATER CO.
590308	09/03/2020	$7,502.62	SUPPLIES	2594	THE SAUCE CREATIVE SERVICES CORP.
590309	09/03/2020	$2,050.00	CONTRACT SERVICES	15180	STEARNS, CONRAD AND SCHMIDT CONSULTING ENG./SCS FIELD SERV
590310	09/03/2020	$6,945.00	TRAINING	2721	MARIO SOTO, SPORTS PSYCHOLOGY CONSULTING AND LIFE COACH
590311	09/03/2020	$2,427.16	UNIFORM EXPENSE	14350	SUN BADGE COMPANY
590312	09/03/2020	$115.00	ADVERTISING/PRINTING SERVICES	6460	TRANSIT TALENT.COM
590313	09/03/2020	$1,400.00	CONTRACT SERVICES	1188	TYLER TECHNOLOGIES, INC.
590314	09/03/2020	$3,221.47	CONTRACT SERVICES	20070	UC REGENTS
590315	09/03/2020	$360.00	CONTRACT SERVICES	2960	SALVADOR SALCEDA/UNIVERSAL WASTE OIL CO.
590316	09/03/2020	$1,653.91	VEHICLE MAINTENANCE/EXPENSES	2701	VARGAS DIESEL INC.
590317	09/03/2020	$1,220.50	CONTRACT SERVICES	183	WECK LABORATORIES ENVIRONMENTAL SERVICES, INC.
590318	09/03/2020	$352.48	SUPPLIES	13160	WEST-LITE SUPPLY CO.,INC.
590319	09/03/2020	$55.13	VEHICLE MAINTENANCE/EXPENSES	1657	ARTURO ZAVALA'S/ZAVALA'S UPHOLSTERY
590320	09/03/2020	$762.62	SUPPLIES	2586	AMAZON CAPITAL SERVICES, INC.
590321	09/03/2020	$1,053.99	ADVERTISING/PRINTING SERVICES	35980	SAEED RADMEHR/ARTE PRINTING
590322	09/03/2020	$1,615.94	VEHICLE MAINTENANCE/EXPENSES	23330	BATTERY SYSTEMS
590323	09/03/2020	$34.58	MEDICAL SERVICE	27170	BEVERLY HOSPITAL
590324	09/03/2020	$386.00	PUBLIC SAFETY	58240	STATE OF CALIFORNIA-DEPARTMENT OF JUSTICE
590325	09/03/2020	$5,033.61	CONTRACT SERVICES	56540	STEVE HINES NO. 1,LLC
590326	09/03/2020	$15,938.94	BUS DECAL GRAPHICS	70920	DECALS BY DESIGN, INC.

City of Montebello

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CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
590327	09/03/2020	$44,489.40	INSURANCE PREMIUM	4110	DELTA DENTAL OF CALIFORNIA
590328	09/03/2020	$8,344.18	SERVICE	1914	EXPO IT, LLC.
590329	09/03/2020	$3,369.96	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
590330	09/03/2020	$1,288.90	ADVERTISING/PRINTING SERVICES	2771	FOUR WINDS INTERACTIVE LLC
590331	09/03/2020	$1,580.06	CONTRACT SERVICES	506	SPX CORPORATION
590332	09/03/2020	$66.70	SUPPLIES	455	GOLDEN STATE FASTENERS & SUPPLY, INC.
590333	09/03/2020	$3,164.81	CONTRACT SERVICES	37480	GOSERCO, INC.
590334	09/03/2020	$879.81	VEHICLE MAINTENANCE/EXPENSES	9470	GRAINGER, INC.
590335	09/03/2020	$4,627.56	VEHICLE MAINTENANCE/EXPENSES	270	HARBOR DIESEL AND EQUIPMENT, INC.
590336	09/03/2020	$306.60	VEHICLE MAINTENANCE/EXPENSES	582	HYDRAULIC ELECTRIC INC.
590337	09/03/2020	$61.34	VEHICLE MAINTENANCE/EXPENSES	29680	INLAND KENWORTH, INC.
590338	09/03/2020	$8,907.79	CONTRACT SERVICES	110	MICHELIN NORTH AMERICA, INC
590339	09/03/2020	$861.11	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES, INC./MONTEBELLO TIRE PROS.
590340	09/03/2020	$10,625.57	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
590341	09/03/2020	$345.74	CONTRACT SERVICES	36070	PATHOLOGY & LAB. MED. GROUP
590342	09/03/2020	$539.86	RETIREMENT	42490	LINDA PAYAN
590343	09/03/2020	$45,090.27	FUEL INVENTORY	1059	AMBER RESOURCES LLC
590344	09/03/2020	$1,501.90	RETIREMENT	9340	GEORGE S. SIMONIAN
590345	09/03/2020	$136.40	PERMITS AND FEES	28240	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
590346	09/03/2020	$842.04	PERMITS AND FEES	28240	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
590347	09/03/2020	$483.01	INSURANCE PREMIUM	1990	STANDARD INSURANCE COMPANY
590348	09/03/2020	$15,657.16	RETIREMENT	25850	STANDARD INSURANCE COMPANY
590349	09/03/2020	$535.60	RETIREMENT	27300	ROBERT C. TUFANO
590350	09/03/2020	$9,800.00	CONTRACT SERVICES	74850	UNIQUE GENERAL SERVICES

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590351	09/03/2020	$1,047.78	SUPPLIES	131	UNITED SITE SERVICES, INC.
590352	09/03/2020	$10,560.89	METROLINK SECURITY SERVICES	37	U.S. SECURITY ASSOCIATES, INC./AN ALLIED UNIVERSAL COMPANY
590353	09/03/2020	$1,217.30	INSURANCE PREMIUM	58990	VISION SERVICE PLAN
590354	09/03/2020	$636.54	UTILITY SERVICES	1732	AT&T CORP.
590355	09/03/2020	$698.58	UTILITY SERVICES	1732	AT&T CORP.
590356	09/03/2020	$698.58	UTILITY SERVICES	1732	AT&T CORP.
590357	09/03/2020	$183.75	UTILITY SERVICES	39550	AT&T
590358	09/03/2020	$55.42	UTILITY SERVICES	39550	AT&T
590359	09/03/2020	$1,209.03	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
590360	09/03/2020	$18,215.46	UTILITY SERVICES	4760	MONTEBELLO LAND & WATER CO.
590361	09/03/2020	$93,532.06	UTILITY SERVICES	14730	SAN GABRIEL VALLEY WATER CO.
590362	09/03/2020	$100,508.59	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
590363	09/03/2020	$4,113.37	UTILITY SERVICES	526	T-MOBILE USA, INC.
590364	09/03/2020	$51.66	UTILITY SERVICES	23610	VERIZON WIRELESS
590365	09/03/2020	$38.01	UTILITY SERVICES	23610	VERIZON WIRELESS
590366	09/08/2020	$715,223.55	CONTRACT SERVICE	2954	MANHOLE ADJUSTING INC.
590367	09/10/2020	$2,019.95	VEHICLE MAINTENANCE/EXPENSES	23330	BATTERY SYSTEMS
590368	09/10/2020	$7,561.55	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
590369	09/10/2020	$100.58	SUPPLIES	15620	OFFICE DEPOT
590370	09/10/2020	$6,698.54	UTILITY SERVICES	51430	SOUTH MONTEBELLO IRRIGATION DISTRICT
590371	09/10/2020	$20,713.25	UTILITY SERVICES	40520	SOUTHERN CALIFORNIA GAS CO.
590372	09/10/2020	$9.01	UTILITY SERVICES	23610	VERIZON WIRELESS
590373	09/10/2020	$1,295.13	UTILITY SERVICES	23610	VERIZON WIRELESS
590374	09/10/2020	$200.11	UTILITY SERVICES	23610	VERIZON WIRELESS

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CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
590375	09/10/2020	$1,186.35	UTILITY SERVICES	23610	VERIZON WIRELESS
590376	09/10/2020	$3,046.85	UTILITY SERVICES	23610	VERIZON WIRELESS
590377	09/10/2020	$2,196.84	UTILITY SERVICES	23610	VERIZON WIRELESS
590378	09/10/2020	$407.89	SERVICE	64600	A TO Z FIRE PROTECTION COMPANY
590379	09/10/2020	$709.06	UTILITY SERVICES	1732	AT&T CORP.
590380	09/10/2020	$129,812.50	CONTRACT SERVICES	37720	ADVANCED APPLIED ENGINEERING, INC.
590381	09/10/2020	$8,721.30	INSURANCE PREMIUM	55860	AFLAC
590382	09/10/2020	$6,543.49	SUPPLIES	2586	AMAZON CAPITAL SERVICES, INC.
590383	09/10/2020	$157.66	ADVERTISING/PRINTING SERVICES	35980	SAEED RADMEHR/ARTE PRINTING
590384	09/10/2020	$322,912.80	CONTRACT SERVICES	40970	ARAKELIAN ENTERPRISES/ATHENS SERVICE
590385	09/10/2020	$375.00	VEHICLE MAINTENANCE/EXPENSES	278	ATLAS RADIATOR, INC.
590386	09/10/2020	$1,819.80	CONTRACT SERVICES	299	BALLARD & BALLARD INVESTIGATIONS
590387	09/10/2020	$426.64	VEHICLE MAINTENANCE/EXPENSES	2540	BATTERY POWER, INC.
590388	09/10/2020	$638.02	SERVICE	2102	JOHN P BEROKOFF/BEROKOFF ELECTRIC
590389	09/10/2020	$10,725.00	CONTRACT SERVICES	2119	BETTER 4 YOU BREAKFAST, INC.
590390	09/10/2020	$1,056.50	LOCKSMITH SERVICE	2889	COMLOCK SECURITY GROUP, INC.
590391	09/10/2020	$5,835.33	SUPPLIES	2937	GUY M CROTHERS
590392	09/10/2020	$2,263.80	VEHICLE MAINTENANCE/EXPENSES	950	CUMMINS PACIFIC, LLC
590393	09/10/2020	$350.00	SERVICE	2759	D. F. POLYGRAPH
590394	09/10/2020	$734.13	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
590395	09/10/2020	$144.20	VEHICLE MAINTENANCE/EXPENSES	38020	FLEET PRIDE, INC.
590396	09/10/2020	$10,746.92	CONTRACT SERVICES	2443	FM THOMAS AIR CONDITIONING, INC.
590397	09/10/2020	$77,578.34	CONTRACT SERVICES	76070	GEO CORRECTIONS & DETENTION INC.
590398	09/10/2020	$2,573.93	VEHICLE MAINTENANCE/EXPENSES	33720	ARKAY ACQUISITION LLC

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CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
590399	09/10/2020	$66,804.78	TAYLOR RANCH GREENSPACE PROJECT	2815	GREEN GIANT LANDSCAPE INC.
590400	09/10/2020	$303.37	VEHICLE MAINTENANCE/EXPENSES	30190	I.B. AUTO PARTS, INC.
590401	09/10/2020	$63,250.00	LEGAL SERVICE	2910	HAZELRIGG CLAIMS MANAGEMENT SERVICES
590402	09/10/2020	$551.43	VEHICLE MAINTENANCE/EXPENSES	270	HARBOR DIESEL AND EQUIPMENT, INC.
590403	09/10/2020	$5,674.35	SUPPLIES	43860	MYERS & SONS HI-WAY SAFETY INC.
590404	09/10/2020	$501.50	VEHICLE MAINTENANCE/EXPENSES	69140	HUNTINGTON BEACH MOTORSPORTS, INC.
590405	09/10/2020	$7,847.69	COPIER REPAIR/SERVICES	2793	IBE DIGITAL
590406	09/10/2020	$2,389.79	MACHINERY & EQUIPMENTS	2763	INSIGHT PUBLIC SECTOR, INC.
590407	09/10/2020	$20,568.65	CONTRACT SERVICES	488	INTERNATIONAL BUSINESS MACHINES CORPORATION
590408	09/10/2020	$1,161.07	SUPPLIES	1612	JCL TRAFFIC SERVICES
590409	09/10/2020	$8,268.01	CONTRACT SERVICES	2152	JOHNSON CONTROLS, INC.
590410	09/10/2020	$3,644.87	SUPPLIES	1822	JOHNSON EQUIPMENT COMPANY
590411	09/10/2020	$5,852.10	SUPPLIES	26670	LIFE-ASSIST, INC.
590412	09/10/2020	$2,142.00	LANDSCAPE SERVICE	2144	MARIPOSA LANDSCAPES, INC.
590413	09/10/2020	$917.32	PETTY CASH	3280	MONTEBELLO CITY TRANSIT
590414	09/10/2020	$3,950.42	VEHICLE MAINTENANCE/EXPENSES	1385	MUNCIE RECLAMATION AND SUPPLY COMPANY
590415	09/10/2020	$521.79	SUPPLIES	2480	SOCAL AUTO & TRUCK PARTS, INC.
590416	09/10/2020	$25,310.33	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
590417	09/10/2020	$1,419.22	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY, LLC
590418	09/10/2020	$11,133.89	LANDSCAPE SERVICE	2481	NORTH STAR LAND CARE
590419	09/10/2020	$69.46	SUPPLIES	15620	OFFICE DEPOT
590420	09/10/2020	$359.62	SUPPLIES	1938	P & R PAPER SUPPLY COMPANY INC.
590421	09/10/2020	$539.86	RETIREMENT	42490	LINDA PAYAN
590422	09/10/2020	$19,248.79	VEHICLE MAINTENANCE/EXPENSES	2191	PERFORMANCE TRUCK REPAIR INC.

City of Montebello

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CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
590423	09/10/2020	$1,039.48	FUEL	19700	SYNCHRONY BANK/PHILLIPS 76
590424	09/10/2020	$109.77	SUPPLIES	56260	PRUDENTIAL OVERALL SUPPLY
590425	09/10/2020	$7,200.00	CONTRACT SERVICES	2764	RAINTEK ENTERPRISES INC.
590426	09/10/2020	$20,000.00	CONTRACT SERVICES	61050	REDFLEX TRAFFIC SYSTEMS
590427	09/10/2020	$13,150.18	CONTRACT SERVICES	2787	S & S LABARGE GOLF INCORPORATED
590428	09/10/2020	$1,501.90	RETIREMENT	9340	GEORGE S. SIMONIAN
590429	09/10/2020	$1,611.00	ANNUAL ALARM SERVICE	8460	SOUTHLAND ALARM, INC.
590430	09/10/2020	$15,637.62	INSURANCE PREMIUM	25850	STANDARD INSURANCE COMPANY
590431	09/10/2020	$147.99	MACHINERY & EQUIPMENTS	2863	STRYKER SALES CORPORATION
590432	09/10/2020	$681.91	IONIZED WATER SERVICE	1963	SUEZ WTS SERVICES USA, INC.
590433	09/10/2020	$266.00	CONTRACT SERVICES	33250	DG ENGERY SERVICES, INC.
590434	09/10/2020	$750.00	TRAINING	3680	TRAINING INNOVATIONS, INC.
590435	09/10/2020	$535.60	RETIREMENT	27300	ROBERT C. TUFANO
590436	09/10/2020	$525.00	CONTRACT SERVICES	1188	TYLER TECHNOLOGIES, INC.
590437	09/10/2020	$804.90	SUPPLIES	131	UNITED SITE SERVICES, INC.
590438	09/10/2020	$142.30	REIMBURSEMENT UNIFORM	2768	PHILLIP VIEBROCK
590439	09/10/2020	$235.00	CONTRACT SERVICES	2865	WEBSTERS BEE REMOVAL SERVICES
590440	09/10/2020	$2,250.00	CONTRACT SERVICES	70050	JTD CONSULTING, INC./WIRELESS INFRASTRUCTURE SYSTEM
590441	09/10/2020	$1,141.00	CONTRACT SERVICES	71170	YOUNG ELECTRIC SIGN COMPANY
590442	09/10/2020	$625.12	SUPPLIES	62880	AMERICAN EMBLEMATIC, LLC
590443	09/10/2020	$297,545.30	CONTRACT SERVICES	467	CUBIC TRANSPORTATION SYSTEM INC.
590444	09/10/2020	$21,364.41	FUEL INVENTORY	1059	AMBER RESOURCES LLC/SAWYER PETROLEUM
590445	09/10/2020	$77,955.07	CONTRACT SERVICES	1188	TYLER TECHNOLOGIES, INC.
	Subtotal	**$3,257,313.41**			

City of Montebello

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CHECK #	DATE	AMOUNT	ACCOUNT	DESCRIPTION	VENDOR #	VENDOR NAME
4331 - General Account						
EFT						
5	09/10/2020	$25.30		MILEAGE REIMBURSEMENT	59960	Joann Panosian
6	09/10/2020	$21.54		SUPPLIES	3001	Michael Solorza
	Subtotal	**$46.84**				
6093 - Successor Agency						
1471	09/10/2020	$1,500.00		BONDS	17870	BANK OF NEW YORK MELLON
1472	09/10/2020	$84,444.63		OSTROM PAYMENT	20390	ARA SEVACHERIAN
	Subtotal	**$85,944.63**				
	Total	**$3,343,304.88**				

CITY OF MONTEBELLO
1600 WEST BEVERLY BLVD.
MONTEBELLO, CA 90640

JULY 31, 2020
WEDNESDAY
4:30 P.M.

MINUTES

THE CITY OF MONTEBELLO CITY COUNCIL MET AT THE ABOVE TIME AND PLACE IN A SPECIAL SESSION.

OPENING CEREMONIES

1. **CALL MEETING TO ORDER:** **Mayor Melendez called the meeting to the order at the hour of 4:37 p.m.**

2. **ROLL CALL:** **City Clerk I. Barajas**
   MEMBERS PRESENT: **Torres, Hadjinian, Jimenez, Melendez**
   MEMBERS ABSENT: **Cobos-Cawthorne**
   Councilmember Hadjinian moved, seconded by Mayor Melendez to excuse Mayor Pro Tem Cobos-Cawthorne. Motion carried on a 4-0 roll call vote.

   STAFF PRESENT1 **City Manager Bobadilla, City Attorney Alvarez-Glasman**

3. **STATEMENT OF PUBLIC ORAL COMMUNICATIONS:** City Attorney Alvarez-Glasman

   None.

   Mayor Melendez recessed the meeting into Closed Session at the hour of 4:40 p.m. to discuss the following items. Mayor Melendez reconvened the meeting at the hour of 4:50 p.m.

CLOSED SESSION

4. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
   Government Code Section 54956.9(d)(2)
   Significant exposure to litigation – One potential case

   A briefing was provided but no final action.

5. **THREAT TO PUBLIC SERVICES OR FACILITIES**
   Government Code Section 54957
   Consultation with City Manager, Police Chief, City Attorney and other related City officials.

   A briefing was provided to Councilmembers, but no final action.

6. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
   Government Code section 54956.8
   Property: 901 Via San Clemente, Montebello, CA
   Agency's Negotiator: René Bobadilla, City Manager
   Negotiating Party: Transports
   Under Negotiation: Price and Terms

   A briefing was provided. No action taken, nothing to report.

OPEN SESSION – CONSENT AGENDA

7. **CONSIDERATION OF ADOPTION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA DECLARING AND PROCLAIMING THE CONTINUED EXISTENCE OF A LOCAL EMEGENCY DUE TO THE AFFECTS OF THE COVID-19 VIRUS PURSUANT TO MONTEBELLO MUNICIPAL CODE SECTION 2.48.090.**

Councilmember Hadjinian moved, seconded by Councilmember Jimenez to adopt Resolution No. 20-61. Motion carried 4-0 on the following roll call vote:

AYES:	**Torres, Hadjinian, Jimenez, Melendez**
NOES:	**None**
ABSENT:	**Cobos-Cawthorne**

8. CONSIDERATION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA AMENDING PREVIOUSLY ADOPTED RESOLUTION NO. 20-45 RELATING TO THE CALL FOR THE GENERAL MUNICIPAL ELECTION BY REMOVING THE OFFICE OF THE CITY TREASURER FROM THE CALL FOR THE NOVEMBER 3, 2020 ELECTION

Councilmember Hadjinian moved, seconded by Councilmember Jimenez to adopt Resolution No. 20-62. Motion carried 4-0 on the following roll call vote:

AYES:	**Torres, Hadjinian, Jimenez, Melendez**
NOES:	**None**
ABSENT:	**Cobos-Cawthorne**

ADJOURNMENT

Mayor Melendez adjourned the meeting at the hour of 4:55 p.m. in memory of longtime Montebello Unified School District Principal and Teacher, Sterling Schubert, and a former Schurr High School student who was killed by a hit and run driver. A moment of silence was taken.

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IRMA BARJAS, City Clerk

CITY OF MONTEBELLO **AUGUST 12, 2020**
1600 WEST BEVERLY BLVD. **WEDNESDAY**
MONTEBELLO, CALIFORNIA **5:30 P.M.**

MINUTES

THE CITY OF MONTEBELLO CITY COUNCIL MET AT THE ABOVE TIME AND PLACE IN A REGULAR SESSION.

1. CALL MEETING TO ORDER: **Mayor Melendez called the meeting to order at the hour of 5:40 p.m.**

2. ROLL CALL: **City Clerk I. Barajas**
MEMBERS PRESENT: **Hadjinian, Cobos-Cawthorne, Jimenez, Torres, Melendez**
STAFF PRESENT: **City Manager Bobadilla, City Attorney Alvarez-Glasman**

3. STATEMENT OF PUBLIC ORAL COMMUNICATIONS FOR CLOSED SESSION ITEMS:
City Attorney Alvarez-Glasman

ORAL COMMUNICATIONS ON CLOSED SESSION ITEMS

None.

Mayor Melendez recessed the meeting into Closed Session at the hour of 5:40 p.m. Mayor Melendez reconvened the meeting at the hour of 6:45 p.m.

CLOSED SESSION – 5:30 P.M.

The City Attorney provided a briefing on the item listed for Closed Session as follows:

4. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
De Lage Landen Financial Services, Inc. v. City of Montebello, et al.

The City Council authorized representation for all parties including the City of Montebello and other city officials to be provided by the City. No final action to be reported.

5. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Government Code section 54956.8
Property: 901 Via San Clemente, Montebello, CA
Agency's Negotiator: René Bobadilla, City Manager
Negotiating Party: Transports
Under Negotiation: Price and Terms

City Council received a briefing, direction was provided to city staff. No final action to be reported.

6. CONFERENCE WITH LABOR NEGOTIATORS
Government Code section 54957.6
Agency designated representative: René Bobadilla, City Manager
Employee organization:, Montebello Police Officers Association, Montebello Police Management Association, Montebello Firefighters Association, Montebello Fire Management Association, Unrepresented Employees, Montebello Mid-Management Association, Montebello Supervisors Association, Smart-TD

The City Council received a briefing from the Agency's representative, Mr. Bobadilla. There was no action taken. There are some considerations on tonight's agenda, but nothing further to report.

7. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Government Code section 54957
Title: City Manager

A briefing was provided to Councilmembers. No action to be reported.

8. THREAT TO PUBLIC SERVICES OR FACILITIES
Government Code Section 54957
Consultation with City Manager, Police Chief, City Attorney and other related City officials.

A briefing was provided to Councilmembers. No reportable action.

REGULAR SESSION - 6:30 P.M.

9. INVOCATION **City Clerk Barajas**

PLEDGE OF ALLEGIANCE **City Attorney Alvarez-Glasman**

10. STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

Margot Eiser submitted a comment asking the City Council to vote "no" on Item No. 23.

11. CORRECTIONS TO THE AGENDA – CITY MANAGER

12. STATEMENT OF PUBLIC ORAL COMMUNICATIONS: City Attorney Alvarez-Glasman
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13. PUBLIC ORAL COMMUNICATIONS ON OPEN SESSION ITEMS (30 MINUTES)

14. APPROVAL OF AGENDA: Councilmember Hadjinian moved, seconded by Mayor Melendez that all items be approved in a single motion with the exception of Item No. 15, 23 and 24. Such approval will also waive the reading of any ordinance.

REGULAR BUSINESS

15. COMMUNITY CHOICE AGGREGATION (CCA) FEASIBILITY STUDY AGREEMENT APPROVAL

City Manager Bobadilla gave a summary regarding this item.

Councilmembers stated support of the recommendation.

Councilmember Jimenez moved, seconded by Councilmember Hadjinian that the City Council:

1) Authorize the City Manager to Agreement No. 3802 with California Choice Energy Authority (CalChoice) to Provide a Community Choice Aggregation (CCA) Technical Study and Subsequent Implementation Services; and,

2) Amend the Fiscal Year 2020-21 budget by increasing appropriations by $46,000 in Account No. 100-40-400-6040.95 (General Fund, Finance, Other Professional Services) and $17,000 in Account No. 600-90-900-6040.95 (Transit, Administration, Other Professional Services.

Motion carried unanimously.

CONSENT MATTERS

16. PROFESSIONAL SERVICES AGREEMENT WITH WEST & ASSOCIATES ENGINEERING INC. FOR THE BEACH STREET IMPROVEMENT PROJECT FROM VAIL AVENUE TO BLUFF ROAD (CP-884)

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

1) Approve a professional services agreement with West and Associates Engineering, Inc. for engineering services for the subject project in an amount not-to-exceed $201,000;

2) Authorize the City Manager to execute Agreement No. 3803 and related ancillary documents on behalf of the City; and

3) Take such additional and/or related actions that may be desirable.

Motion carried unanimously.

17. PAVING THE WAY PROGRAM - AUTHORIZE CITY MANAGER TO EXECUTE THE FIFTH AMENDMENT TO AGREEMENT NO. 3066 WITH INFRASTRUCTURE ENGINEERS FOR ENGINEERING SERVICES

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

Approve the Fifth Amendment to Professional Services Agreement No. 3066 with Infrastructure Engineers for engineering services for the Paving the Way (Fiscal Years 2020/21 and 2021/22) street improvement bond-funded program for a fee not-to-exceed $1,596,777.

Motion carried unanimously.

18. CITYWIDE BUS STOP IMPROVEMENT DESIGN AND INSTALLATION PROJECT - NOTICE OF COMPLETION

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

1) Accept the Work as complete for the Citywide Bus Stop Improvement Design and Installation Project constructed by AP Construction and authorize the City Clerk to file the Notice of Completion with the Los Angeles County Registrar-Recorder; and

2) Approve the final contract amount of $2,076,808 and authorize the City Manager to release the retention payment and all other monies due to AP Construction following the mandatory waiting period from the date the Notice of Completion is recorded.

Motion carried unanimously.

19. AUTHORIZE THE FILING OF APPLICATIONS WITH SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) TO RECEIVE FUNDING FROM THE CARL MOYER MEMORIAL AIR QUALITY STANDARDS ATTAINMENT PROGRAM FOR PURCHASE OF ZERO-EMISSION BUS AND ELECTRIC CHARGING INFRASTRUCTURE

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

1) Authorize the filing of applications with the South Coast Air Quality Management District (SCAQMD) to receive funding from the Carl Moyer Memorial Air Quality Standards Attainment Program to purchase a zero-emission bus and electric charging infrastructure.

2) Take such additional, related, action that may be desirable.

Motion carried unanimously.

20. MONTEBELLO BUS LINES (MBL) ADVERTISING PROGRAM SERVICE REQUEST FOR PROPOSAL (RFP), NO. 20-16

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

1) Approve Montebello Bus Lines (MBL) Advertising Program Service Request for Proposal (RFP), No. 20-16, as recommended by the Director of Transportation.

2) Take such additional, related action that may be desirable.

Motion carried unanimously.

21. ADOPTION OF RESOLUTION TO GRANT A DESIGNATED PERIOD FOR CALPERS TWO-YEARS ADDITIONAL SERVICE CREDIT FOR ALL CLASSIFICATIONS AND DEPARTMENTS

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

Adopt Resolution No. 20-63 authorizing the City Manager to provide Two-Years Additional Service Credit in accordance with California Government Code Section 20903 for all City classifications and departments.

Motion carried unanimously.

22. SELECTION FOR AWARD OF CONTRACT FOR THE CITY OF MONTEBELLO'S CLASSIFICATION AND TOTAL COMPENSATION STUDY

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

Authorize the City Manager to execute Agreement No. 3804 with an approval by the City Council to award a contract to Public Sector Personnel Consultants for the City's Classification and Total Compensation Study.

Motion carried unanimously.

23. APPROVAL OF FINANCING TEAM, GOLF COURSE AND PUBLIC FACILITIES IMPROVEMENTS

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

It is recommended that the City Council authorize staff to engage a financing team composed of Urban Futures (Municipal Advisor), Cabrera Capital Markets (Underwriter), Quint & Thimmig (Disclosure Counsel) and Stradling Yocca Carlson & Rauth (Bond Counsel) for the purposes of developing a funding plan for City owned golf facility improvements.

Motion carried unanimously.

24. COVID CARES – FOOD AND ESSENTIAL ITEMS INSECURITY GRANTS

Councilmember Torres thanked the City Council for securing the Covid Cares Grant.

Councilmember Hadjinian moved, seconded by Councilmember Torres that the City Council:

1) Authorize the City Manager to enter into a Memoranda of Understanding (MOU) with non-profit agencies that serve Montebello that provide COVID relief services related to food and essential items insecurity, in a total not-to-exceed amount of $40,000; and

2) Authorize the amount of $40,000 for COVID relief services and amend the Fiscal Year 2020-21 budget by increasing appropriations by $40,000 in Account No. 100-99-998-6040.95(General Fund, COVID-19 Response, Other Professional Services) and;

3) Take such additional, related action that may be desirable.

Motion carried unanimously.

25. ADOPT A RESOLUTION AND THE RECORDS RETENTION SCHEDULES

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

1) Adopt a Resolution No. 20-64 and Records Retention Schedules, thereby rescinding Resolution No. 9755; and

2) Authorize the City Manager to enter into an agreement with a secure records/document destruction vendor for an annual not-to-exceed $50,000 amount; and

3) Amend the Fiscal Year 2020-21 adopted budget in the amounts of $50,000 for a records destruction vendor and $30,000 for onsite secure storage establishment by increasing appropriations by $80,000 in Account No. 100-20-200-6040.95 (Administration, Other Contract Service - Professional Services).

Motion carried unanimously.

26. CITY HALL AND OTHER CITY FACILITY IMPROVEMENTS UPDATES

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council

1) Authorize the City Manager to direct staff to continue renovations and improvements of City Hall and other City facilities and approve contracts related to the construction and improvements within the extent of the City Manager's authority.

2) Receive and file.

Motion carried unanimously.

27. ADOPT A RESOLUTION DESIGNATING AUTHORIZED AGENTS FOR THE CITY OF MONTEBELLO AUTHORIZING APPLICATION TO THE HOMEKEY PROGRAM FUNDING

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

1) Adopt the Authorizing Resolution No. 20-65 from the State of California Department of Housing and Community Development (HCD) for the Notice of Funding Availability ("NOFA"), dated July 16, 2020, for the Homekey Program ("Homekey" or "Homekey Program") and designate the City Manager and/or his designee as authorized agent(s) to execute applications on behalf of the City of Montebello for the purpose of obtaining purchasing, and/or rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings and convert them into interim or permanent, long-term housing;

2) Authorize Staff to submit a Homekey Project Proposal on behalf of the City and to submit any subsequent documents and forms; and

3) Authorize Staff to submit the Authorizing Resolution to the Department of Housing and Community Development no later than September 29, 2020.

Motion carried unanimously.

28. AUTHORIZATION TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF GLENDALE TO PROVIDE RADIO COMMUNICATIONS SUPPORT AND MAINTENANCE SERVICES FOR THE CITY OF MONTEBELLO FIRE DEPARTMENT RADIO NETWORK.

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

1) Authorize the City Manager to enter into a Radio Communication Support and Maintenance Services Memorandum of Understanding (MOU) with the City of Glendale, Agreement No. 3805, and;

2) Approve the MOU with the City of Glendale for the purpose of providing radio communications support and maintenance services for the City of Montebello radio network;

3) Authorize the total contract expenditures total not-to- exceed $156,000 to account for additional radio repair and incidental repair services not covered in the MOU scope of work, and;

4) Take such additional, related, action that may be desirable.

Motion carried unanimously.

29. PAYMENT OF BILLS: RESOLUTION APPROVING THE CITY/SUCCESSOR AGENCY WARRANT REGISTER OF DEMANDS DATED AUGUST 12, 2020

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

Adopt the Resolution No. 20-66 approving the Warrant Register dated August 12, 2020. Motion carried unanimously.

30. APPROVAL OF MINUTES: REGULAR SESSIONS OF MAY 27, JUNE 10, JUNE 24 AND SPECIAL SESSIONS OF JUNE 14 AND JULY 1, 2020

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

Approve the minutes as written. Motion carried unanimously.

31. ORAL COMMUNICATIONS - CONTINUED IF NECESSARY

COUNCIL ORALS

32. COUNCIL MEMBER ANNOUNCEMENTS; REQUESTS FOR FUTURE AGENDA ITEMS; CONFERENCE/MEETINGS REPORTS

a. Mayor Pro Tem Cobos-Cawthorne spoke about the Great Plate Program and stated that it serves about 40 families a day.

b. Councilmember Torres asked that the comments submitted by the public for public orals or particular agenda items, be read out loud in their entirety at Council meetings.

City Attorney Alvarez-Glasman stated that all agencies are different and varies when it comes to the reading of public comments, however, they are all recorded in the minutes.

Councilmember Torres moved, seconded by Mayor Pro Tem Cobos-Cawthorne that all comments submitted are read aloud in their entirety. Motion carried 3-2 on the following roll call vote:

AYES: Cobos-Cawthorne, Torres, Melendez
NOES: Hadjinian, Jimenez

c. Councilman Hadjinian thanked Chief Keller and staff for arresting the suspect involved in the hit and run that killed a young woman on Garfield Avenue.

d. Mayor Melendez thanked the Lion's Club and Frank Barajas for their donation of more than $2,000 to the Senior Meal Program.

ADJOURNMENT

Mayor Melendez adjourned the meeting in memory of Lance Corporal Marco A. Barranco, one of eight Marines killed in a deadly training accident off of San Clemente Island.

APPROVAL OF MINUTES: Upon motion carried unanimously, the minutes of August 12, 2020, were approved as written on September 23, 2020.

_____

IRMA BARAJAS, City Clerk

CITY OF MONTEBELLO
1600 WEST BEVERLY BLVD.
MONTEBELLO CALIFORNIA

AUGUST 26, 2020
WEDNESDAY
5:30 P.M.

MINUTES

THE CITY OF MONTEBELLO CITY COUNCIL MET AT THE ABOVE TIME AND PLACE IN A REGULAR SESSION.

OPENING CEREMONIES

1. CALL MEETING TO ORDER: **Mayor Melendez called the meeting to order at the hour of 5:40 p.m.**

2. ROLL CALL: **Deputy City Clerk L. Guzman**
MEMBERS PRESENT: **Cobos-Cawthorne, Jimenez, Torres, Hadjinian, Melendez**
STAFF PRESENT: **City Manager Bobadilla, City Attorney Alvarez-Glasman**

3. STATEMENT OF PUBLIC ORAL COMMUNICATIONS FOR CLOSED SESSION ITEMS: **City Attorney Alvarez-Glasman**

ORAL COMMUNICATIONS ON CLOSED SESSION ITEMS

None.

Mayor Melendez recessed the meeting into Closed Session at the hour of 5:42 p.m. to discuss the following items. Mayor Melendez reconvened the meeting at the hour of 6:40 p.m.

CLOSED SESSION – 5:30 P.M.

The City Attorney provided a briefing on the item listed for Closed Session as follows:

4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(4)
Multiple matters of anticipated litigation

Various matters were discussed. Direction was provided, no final action, nothing further to report.

5. THREAT TO PUBLIC SERVICES OR FACILITIES
Government Code Section 54957
Consultation with City Manager, Police Chief, City Attorney and other related City officials.

No discussion.

REGULAR SESSION - 6:30 P.M.

6. INVOCATION **Deputy City Clerk Guzman**

7. PLEDGE OF ALLEGIANCE **City Treasurer Gutierrez**

8. STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

None.

9. CORRECTIONS TO THE AGENDA – CITY MANAGER

None.

10. **STATEMENT OF PUBLIC ORAL COMMUNICATIONS: City Attorney Alvarez-Glasman**

11. **PUBLIC ORAL COMMUNICATIONS ON OPEN SESSION ITEMS (30 MINUTES)**

Vicki Alvarado, Shaylynn Pulatian and Erik Pulatian provided comments in support of Councilmember Hadjinian resigning from the Sheriff's Youth Foundation, and his comments regarding same.

Jraven Boothe submitted comments regarding the resignation and comments made by Councilmember Hadjinian regarding the Sheriff's Youth Foundation.

Byron Jackson spoke about the need for small business assistance.

Gus Bojorquez submitted comments made by Councilmember Hadjinian and his resignation.

Mayor Pro Tem Cobos-Cawthorne stated support of the Armenian American community.

12. **APPROVAL OF AGENDA: Councilmember Hadjinian moved, seconded by** Councilmember Jimenez that all items may be approved in a single motion with the exception of Item Nos. 13, 14, 15, 16 and 17. Such approval will also waive the reading of any ordinance. Motion carried unanimously.

SCHEDULED MATTERS

13. PUBLIC HEARING: ADOPT ORDINANCE AMENDING CHAPTER 5.40 OF THE MONTEBELLO MUNICIPAL CODE ESTABLISHING LOCAL REGULATIONS FOR SIDEWALK VENDORS AND SET FEES

Mayor Melendez opened the public hearing at the hour of 6:48 p.m. There being no public testimony, Mayor Melendez closed the public hearing at the hour of 6:48 p.m.

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

1) Introduce and ordinance amending chapter 5.40 of the Montebello Municipal Code establishing local regulations for sidewalk vendors; and

2) Set fees appropriate to cover administrative costs related to the activities as well as provide for an annual renewal process; and

3) Establish a regulatory scheme that complies with California Senate Bill 946

Motion carried unanimously.

14. PUBLIC HEARING CONCERNING THE FIVE-YEAR 2020-2025 CONSOLIDATED PLAN FOR THE ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM FUNDS, THE 2020-2021 ANNUAL ACTION PLAN, THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE, AND THE CITIZEN PARTICIPATION PLAN

Staff gave a brief presentation on the CDBG program.

Mayor Melendez opened the public hearing at the hour of 7:00 p.m. There being no public testimony, Mayor Melendez closed the public hearing at the hour of 7:00 p.m.

Councilmember Hadjinian thanked staff for their work on the CDBG program.

Mayor Pro Tem Cobos-Cawthorne moved, seconded by Councilmember Hadjinian that the City Council:

1) Receive public input and provide direction to Staff on the Five-Year Consolidated Plan, Annual Action Plan, Analysis of Impediments, and Citizen Participation Plan, and;

2) Amend the Fiscal Year 2020-21 adopted budget by approving appropriations in Fund 255 (Community Development Block Grant) in a total amount of $1,970,964 and Fund 260 (HOME) in a total amount of $402,170, and

3) Take such additional, related action that may be desirable

Motion carried unanimously.

15. PUBLIC HEARING: APPROVE THE ISSUANCE OF QUALIFIED 501(C)(3) BONDS FOR THE CONDUIT FINANCING BY THE CALIFORNIA PUBLIC FINANCE AUTHORITY FOR A PROPOSED RADIATION THERAPY CANCER TREATMENT FACILITY TO BE LOCATED AT 111 W. BEVERLY BLVD. PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 6586.5

Mayor Melendez opened the public hearing at the hour of 7:10 p.m. There being no public testimony, Mayor Melendez closed the public hearing at the hour of 7:10 p.m.

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council: conduct a public hearing and adopt Resolution No. 20-67:

1)_ Rescinding City Council Resolution No. 20-44 to issue and sell revenue bonds by the California Public Finance Authority in the maximum amount of approximately $160,000,000 for the Beverly Oncology & Imaging Centers, Medical Group, Inc., a California corporation; and

2) Approving and making the Finding of Significant Public Benefit for the Issuance and Sale of Qualified 501(c)(3) Bonds for the Conduit Financing by the California Public Finance Authority for a proposed Radiation Therapy Cancer Treatment Facility for Beverly Oncology Proton Medical Group, APC, a California medical professional corporation pursuant to California Government Code Section 6586.5; and

3) Take such additional and/or related action that may be necessary.

Motion carried unanimously on a 5-0 roll call vote of the City Council.

16. PUBLIC HEARING: ADOPTION OF ORDINANCE APPROVING DEVELOPMENT AGREEMENT (DA01-20) BETWEEN THE CITY OF MONTEBELLO AND BECKER BOARDS SMALL LLC FOR PROPERTY AT 7653 TELEGRAPH ROAD.

Mayor Melendez opened the public hearing at the hour of 7:12 p.m. There being no public testimony, Mayor Melendez closed the public hearing at the hour of 7:12 p.m.

Mayor Pro Tem Cobos-Cawthorne stated the she would like to see the Police and Fire Departments promote their departments on the City's airtime on digital billboard.

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Adopt the Negative Declaration prepared in connection with the replacement of an existing double-faced static billboard with an enhanced double-faced static digital billboard located at 7653 Telegraph Road; and

2) Introduce and waive first reading of the Ordinance approving a Development Agreement (DA01-20) by and between the City of Montebello and Becker Boards Small LLC; and

3) Take such additional and/or related action that may be desirable.

Motion carried unanimously.

CONSENT MATTERS

17. URGENCY ORDINANCE OF THE CITY OF MONTEBELLO AMENDING TITLE 12 OF THE CITY OF MONTEBELLO MUNICIPAL CODE ADDING SECTION 12.30 ENTITLED "AGGRESSIVE PANHANDLING IN UNAUTHORIZED AND UNSAFE LOCATIONS"

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

1) It is recommended that City Council introduce and waive first reading of ordinance of the City of Montebello amending Title 12 of the Montebello Municipal Code adding Section 12.30 entitled "Aggressive Panhandling and Panhandling in Unauthorized and Unsafe Locations", and adopt Urgency Ordinance No. 2425.

2) It is recommended that City Council determine that in accordance with Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, the project is exempt from CEQA because there is no possibility that the activity in question may have a significant effect on the environment.

Motion carried unanimously.

18. FIRST AMENDMENT TO, AND ASSIGNMENT AND ASSUMPTION OF, COMMERCIAL CANNABIS BUSINESS DEVELOPMENT AGREEMENT NO. 12-19

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Approve, in substantially the form as presented, one (1) First Amendment to, and Assignment and Assumption of, Cannabis Business Development Agreement No. 12-19 for the operation of commercial cannabis activities in the City of Montebello, and authorize the City Attorney's Office to make final and technical edits or revisions, if any, prior to execution; and

2) Condition the approval of the First Amendment to, and Assignment and Assumption of, Cannabis Business Development Agreement on the respective owner(s) and operator(s) clearing the requisite background checks, providing all exhibits to the development agreement amendments and missing information, if any, to the City of Montebello in a form acceptable to the City Attorney's Office no later than September 30, 2020, and on a case-by-case basis, authorize Director of Planning and Community Development Joseph Palombi discretion to provide the applicant(s) additional time if necessary in light of the current COVID-19 logistical limitations; and

3) Adopt findings contained herein exempting the First Amendment to, and Assignment and Assumption of, Cannabis Business Development Agreement from further CEQA review under CEQA Section 15301, and direct staff to prepare and file the applicable Notices of Exemption for each project recommended for approval; and

4) Take such additional, related action that may be desirable, and/or provide the City

Attorney's office and/or staff with additional or alternative directive(s).

Motion carried unanimously.

19. FISCAL YEAR 2020-21 CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECT PRESENTATION AND BUDGET ADOPTION

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Review and approve the Capital Improvement Program (CIP) project list, and;

2) Amend the Fiscal Year 2020-21 budget by adopting the capital budget and the project budget amounts listed on Exhibit A and Exhibit B, totaling $41,112,071.

Motion carried unanimously.

20. APPROVAL OF FIRST AMENDMENT TO AGREEMENT NO. 3756 – GOLF COURSE MANAGEMENT

Margot Eiser submitted comments in opposition to the approval of the first amendment.

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Approve the First Amendment to Agreement No. 3756 for Golf Course Management and Golf Course Professional Services at the Montebello Golf Course with S&S LaBarge Golf, Inc.; and

2) Authorize the City Manager to execute an amendment on behalf of the City.

Motion carried unanimously.

21. AWARD A PROFESSIONAL SERVICES CONTRACT FOR GOLF COURSE MAINTENANCE AT THE MONTEBELLO GOLF COURSE

Margot Eiser submitted comments and asked who is paying for a concessionaire and repairs.

Councilmember Hadjinian moved, seconded by Mayor Melendez that the City Council:

1) Award Professional Services Agreement No. 3817 to Antares Golf, LLC in an amount not-to- exceed $947,196 annually for the initial year of a five-year (5-year) term for Golf Course maintenance at the Montebello Golf Course; and

2) Authorize the City Manager to execute an agreement on behalf of the City.

Motion carried unanimously.

22. RESOLUTION FINDING THAT REQUIREMENTS PURSUANT TO CALIFORNIA PUBLIC UTILITIES CODE SECTION 10061 FOR THE SALE OF THE PORTIONS OF THE CITY OF MONTEBELLO WATER SYSTEM LOCATED OUTSIDE ITS BOUNDARIES HAVE BEEN MET

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

It is recommended that the City Council adopt Resolution No. 20-68 finding that requirements pursuant to California Public Utilities Code Section 10061 for the

sale of the portions of the City of Montebello Water System located outside its boundaries have been met. Motion carried unanimously.

23. RESOLUTION APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE LOS ANGELES REGION SAFE, CLEAN WATER PROGRAM, MUNICIPAL TRANSFER AGREEMENT WITH THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

It is recommended that the City Council adopt Resolution No. 20-69 approving and authorizing the City Manager to execute the Los Angeles Region Safe, Clean Water Program Municipal Transfer Agreement No. 3820 with the Los Angeles County Flood Control District (LACFCD). Motion carried unanimously.

24. APPROVE CHANGE ORDER NO. 2 TO THE CONSTRUCTION CONTRACT WITH GENTRY BROTHERS, INC. FOR C.P. # 866 – BEVERLY BOULEVARD STREET IMPROVEMENTS PROJECT FROM WILCOX AVENUE TO MONTEBELLO BOULEVARD

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

It is recommended that the City Council approve Change Order No. 2, in the amount not-to-exceed $200,000, to the construction contract with Gentry Brothers, Inc. (GBI) for C.P. # 866 – Beverly Boulevard Street Improvements Project ("the Project") from Wilcox Avenue to Montebello Boulevard. The total contract amount increases to $1,267,601. Motion carried unanimoulsy.

25. UPDATE TO COMPENSATION PLAN RESOLUTION

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

It is recommended that the City Council review and adopt amended Resolution No. 20-70 adopting the compensation plan and table of organization, specifically updating the salary range for "Risk Manager." Motion carried unanimously.

26. AUTHORIZE THE CITY MANAGE TO AMEND THE TERM OF THE CONTRACT WITH LIVE-ASSIST, INC. VENDOR FOR PARAMEDIC SUPPLIES TO ADD ONE-YEAR

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Authorize the City Manager to execute the one-year term option to extend the Life Assist, Inc. Vendor Agreement 3818 (Amendment No. 1); and

2) Authorize the total contract expenditures total not-to-exceed $70,000 to account for additional need for Personal Protective Equipment (PPE) and other medical supplies, and;

3) Take such additional, related, action that may be desirable

Motion carried unanimously.

27. AUTHORIZATION TO ENTER INTO REGIONAL HOUSING TRUST JOINT EXERCISE OF POWERS AGREEMENT WITH THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST FOR THE DEVELOPMENT OF HOUSING PROJECTS

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Authorize the City Manager to enter into a Regional Housing Trust Joint Exercise of Powers Agreement No. 3819 with the San Gabriel Valley Regional Housing Trust (SGVRHT) established by the San Gabriel Valley Council of Governments; and
2) Approve the Agreement with the San Gabriel Valley Regional Housing Trust (SGVRHT) for the purpose of providing funding for the planning and construction of homeless housing and low-income housing for the City of Montebello; and
3) Amend the Fiscal Year 2020-21 budget by increasing appropriations by $20,000 in the Housing Successor Agency Fund (Account No. 810-99-960-6030, SGVRHT, Dues and Subscriptions), and;
4) Take such additional, related, action that may be desirable.

Motion carried unanimously.

28. ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE DOCUMENTS NECESSARY TO OBTAIN FINANCIAL ASSISTANCE PROVIDED BY THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION STATE OF GOOD REPAIR PROGRAM

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Adopt Resolution No. 20-71 authorizing the City Manager or Designee to execute any documents necessary for the purpose of obtaining financial assistance provided by the State of California Department of Transportation State of Good Repair Program.

2) Take such additional, related action that may be desirable.

Motion carried unanimously.

29. ADOPT A RESOLUTION APPROVING A SYSTEM SAFETY PLAN FOR MONTEBELLO BUS LINES

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Adopt Resolution No. 20-72 approving the City of Montebello to implement a new System Safety Plan for Montebello Bus Lines (MBL).

2) Take such additional, related, action that may be desirable.

Motion carried unanimously.

30. PAYMENT OF BILLS: RESOLUTION APPROVING THE CITY/SUCCESSOR AGENCY WARRANT REGISTER OF DEMANDS DATED AUGUST 26, 2020

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

Adopt Resolution No. 20-73 approving the Warrant Register dated August 26, 2020. Motion carried unanimously.

CITY OF MONTEBELLO **SEPTEMBER 9, 2020**
1600 WEST BEVERLY BLVD. **WEDNESDAY**
MONTEBELLO, CALIFORNIA **5:30 P.M.**

MINUTES

THE CITY OF MONTEBELLO CITY COUNCIL MET AT THE ABOVE TIME AND PLACE IN A REGULAR SESSION.

OPENING CEREMONIES

1. CALL MEETING TO ORDER: **Mayor Melendez called the meeting to order at the hour of 5:40 p.m.**

2. ROLL CALL: **City Clerk I. Barajas**
MEMBERS PRESENT: **Jimenez, Torres, Hadjinian, Cobos-Cawthorne, Melendez**
STAFF PRESENT: **City Manager Bobadilla, City Attorney Alvarez-Glasman**

3. STATEMENT OF PUBLIC ORAL COMMUNICATIONS FOR CLOSED SESSION ITEMS: City Attorney Alvarez-Glasman

ORAL COMMUNICATIONS ON CLOSED SESSION ITEMS

None.

CLOSED SESSION – 5:30 P.M.

The City Attorney provided a briefing on the item listed for Closed Session as follows:

Councilmember Hadjinian moved, seconded by Councilmember Jimenez to add "Unrepresented" Employees to Item No. 6 below, and to add Nos. 6a and 6b as described below. Motion carried unanimously 5-0.

4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(4)
Multiple matters of anticipated litigation

City Council received a briefing, no final action, direction was provided, nothing to be reported at this time.

5. THREAT TO PUBLIC SERVICES OR FACILITIES
Government Code Section 54957
Consultation with City Manager, Police Chief, City Attorney and other related City officials.

Not discussed. Will be added to the Friday morning, September 11, 2020 Study Session.

6. CONFERENCE WITH LABOR NEGOTIATORS
Government Code section 54957.6
Agency designated representative: René Bobadilla, City Manager
Employee organization: Smart-TD, Unrepresented

Councilmembers received a briefing, no action taken, nothing to be reported regarding Smart TD.

Under Unrepresented matter, consideration will be made under Item No. 15, no final action, nothing to be reported at this time.

6a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(2)
One matter

6b. PUBLIC EMPLOYEE DISCIPLINE, DISMISSAL, RELEASE
One matter

Briefing was provided, no final action, nothing to be reported.

REGULAR SESSION - 6:30 P.M.

7. INVOCATION **City Clerk Barajas**

PLEDGE OF ALLEGIANCE **City Treasurer Gutierrez**

8. STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

None.

9. CORRECTIONS TO THE AGENDA – CITY MANAGER

None.

10. STATEMENT OF PUBLIC ORAL COMMUNICATIONS: City Attorney Alvarez-Glasman

11. PUBLIC ORAL COMMUNICATIONS ON OPEN SESSION ITEMS (30 MINUTES)

Byron Jackson submitted comments regarding campaign guidelines the November Election candidates and felt that he was being singled out due to various social media posts.

12. APPROVAL OF AGENDA: Councilmember Hadjinian moved, seconded by Councilmember Jimenez that all items be approved in a single motion with the exception of Item No. 13. Such approval will also waive the reading of any ordinance. Motion carried unanimously.

SCHEDULED MATTER

13. ADOPTION OF ORDINANCE APPROVING DEVELOPMENT AGREEMENT (DA01-20) BETWEEN THE CITY OF MONTEBELLO AND BECKER BOARDS SMALL LLC FOR PROPERTY AT 7653 TELEGRAPH ROAD

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Waive second reading adopt Ordinance Mo. 2426 approving a Development Agreement (DA01-20) by and between the City of Montebello and Becker Boards Small LLC; and

2) Take such additional and/or related action that may be desirable.

Motion carried unanimously.

CONSENT MATTERS

14. AUTHORIZATION TO ISSUE A REQUEST-FOR-PROPOSAL TO SOLICIT GRANT WRITING SERVICES FOR FUNDING MULTIPLE FIRE DEPARTMENT PROJECTS

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Authorize City Staff to issue a Request-for-Proposal (RFP) for Grant Writing Services.

2) Take such additional, related, action that may be desirable.

Motion carried unanimously.

15. APPROVE A COMPREHENSIVE EXECUTIVE MANAGEMENT COMPENSATION AND FRINGE BENEFITS RESOLUTION

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

Approve Resolution No. 20-74 (Attachment 1) providing for an updated, comprehensive Executive Management compensation and fringe benefits plan. Motion carried unanimously.

16. APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH HdL COMPANIES TO PROVIDE TAX AND FEE ADMINISTRATION SERVICES

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

Authorize the City Manager to approve Professional Services Agreement No. 3821 with HdL Companies to provide Tax and Fee Administration Services. Motion carried unanimously.

17. APPROVE RESOLUTIONS ALLOWING FOR THE NON-LEVY OF ASSESSMENTS IN THE NATASHA LANE SEWER AND STORMWATER AND LANDSCAPE ASSESSMENT DISTRICTS FOR FISCAL YEAR 2020-21

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Approve Resolution No. 20-75 confirming that Assessments for Natasha Lane sewer pump and stormwater assessment district 2005-2 will not be levied in Fiscal Year 2020-21; and,

2) Approve Resolution No. 20-76 confirming that Assessments for Natasha Lane landscape assessment district 2005-1 will not be levied in Fiscal Year 2020-21; and,

3) Take other actions as necessary to maintain the ability to make such assessments in Fiscal Year 2021-22 and subsequent fiscal years.

Motion carried unanimously.

18. AWARD A PROFESSIONAL SERVICES CONTRACT FOR CITYWIDE LANDSCAPE MAINTENANCE (RFP 20-15)

Richard Hernandez submitted comments on behalf of Complete Landscape Care, Inc. and stated in his comments that they are looking forward to working with the City and staff.

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Award Professional Services Agreement No. 3822 to Complete Landscape Care, Inc. (Complete Landscape) in an amount not-to-exceed $274,200 annually for the initial year of a three-year (3-year) term for Citywide Landscape Maintenance; and

2) Authorize the City Manager to execute an agreement on behalf of the City.

Motion carried unanimously.

19. AUTHORIZE THE FILING OF AN APPLICATION WITH CALIFORNIA AIR RESOURCE BOARD (CARB) TO RECEIVE FUNDING FROM THE SUSTAINABLE TRANSPORTATION EQUITY PROJECT'S PLANNING AND CAPACITY BUILDING GRANT

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Authorize the filing of an application with the California Air Resource Board (CARB) to receive funding from the Sustainable Transportation Equity Project's Planning and Capacity Building Grant to fund critical community outreach; and

2) Take such additional, related action that may be desirable.

Motion carried unanimously.

20. APPROVE A RESOLUTION DECLARING SEVEN (7) DIESEL BUSES AS SURPLUS PROPERTY AND AUTHORIZATION TO DONATE THE BUSES TO THE ROTARY CLUB OF MONTEBELLO

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Approve Resolution No. 20-77 declaring seven (7) diesel buses Surplus Property; and

2) Authorization to Donate the Buses to the Rotary Club of Montebello; and

3) Take such additional, related action that may be desirable.

Motion carried unanimously.

21. APPROVE SOLE SOURCE AGREEMENTS WITH NEW FLYER PARTS AND WAYNE ELECTRIC COMPANY FOR THE PURCHASE OF MAINTENANCE RELATED BUS PARTS

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Approve sole source Agreement No. 3823 for the purchase of bus parts in the total amount not-to-exceed $150,000 with New Flyer Parts for the current Fiscal Year (FY 2020-21); and

2) Approve sole source Agreement No. 3824 for the purchase of bus parts in the total amount not-to-exceed $65,000 with Wayne Electric Company for the current Fiscal Year (FY 2020-21); and

3) Take such additional, related action that may be desirable.

Motion carried unanimously.

22. APPROVE PROPOSED JOB SPECIFICATIONS, AMEND THE TABLE OF ORGANIZATION, AND AMEND THE CLASSIFICATION AND COMPENSATION PLAN FOR NEWLY PROPOSED POSITIONS IN THE FIRE DEPARTMENT

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Approve proposed new job classifications and salary ranges for Social Work Supervisor, Field Response Case Coordinator and Firefighter/Paramedic Trainee; and,

2) Increase the Fiscal Year 2020-21 Budgeted Number of Full-Time Equivalent (FTE) in the Fire Department by a total of Six (6.0) Positions; and,

3) Take such additional, related actions that may be desirable or necessary.

Motion carried unanimously.

23. AUTHORIZATION TO ENTER INTO MEMORANDUM OF AGREEMENT WITH THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS FOR THE IMPLEMENTATION OF THE HOMELESS PLAN

Councilmember Hadjinian thanked staff for their work in obtaining funding for the City from the San Gabriel Valley COG.

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Approve Memorandum of Agreement (MOA), Agreement No. 3825 with the San Gabriel Valley Council of Governments (SGVCOG) for the sole purpose of providing funding for the planning and implementation of the City's Plan to Combat and Prevent Homelessness 2018-2021; and

2) Authorize the City Manager to enter into the MOA with SGVCOG; and

3) Amend the Fiscal Year (FY) 2020-21 budget by increasing appropriations by $215,000 In Fund 265 (Grants), and;

4) Take such additional, related, action that may be desirable.

Motion carried unanimously.

24. AUTHORIZE THE CITY MANAGER TO APPROVE CITYWIDE 24/7 REMOTE HELP DESK AGREEMENT

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Authorize the City Manager to execute the four-year term Agreement No. 3826 with IBE Digital to provide Citywide 24/7 remote help desk support; and

2) Take such additional, related, action that may be desirable.

Motion carried unanimously.

25. PAYMENT OF BILLS: RESOLUTION APPROVING THE CITY/SUCCESSOR AGENCY WARRANT REGISTER OF DEMANDS DATED SEPTEMBER 9, 2020

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

Adopt Resolution No. 20-78 approving the Warrant Register dated September 9, 2020. Motion carried unanimously.

26. ORAL COMMUNICATIONS - CONTINUED IF NECESSARY

COUNCIL ORALS

27. COUNCIL MEMBER ANNOUNCEMENTS; REQUESTS FOR FUTURE AGENDA ITEMS; CONFERENCE/MEETINGS REPORTS

a. Mayor Pro Tem Cobos-Cawthorne stated that all should cautious when eating outside due to the recent fires.

ADJOURNMENT

Upon motion carried unanimously, Mayor Melendez adjourned the meeting in memory of Rachel Ortiz, Schurr High School student, who passed away on September 7, 2020, and in memory of Councilmember Hadjinian's grandfather Sam Arakelian, upon the 20th Anniversary of his passing. A moment of silence was taken by everyone.

Mayor Melendez reminded all to limit themselves spending time outdoors, due to the poor air quality from the fires.

APPROVAL OF MINUTES: Upon motion carried unanimously, the minutes of September 9, 2020 were approved as written on September 23, 2020.

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IRMA BARAJAS, City Clerk

CITY OF MONTEBELLO **SEPTEMBER 11, 2020**
901 VIA SAN CLEMENTE **WEDNESDAY**
MONTEBELLO, CALIFORNIA **8:00 A.M.**

MINUTES

THE CITY OF MONTEBELLO CITY COUNCIL MET AT THE ABOVE TIME AND PLACE IN A SPECIAL SESSION.

OPENING CEREMONIES

1. CALL MEETING TO ORDER: **Mayor Melendez called the meeting to order at the hour of 8:20 a.m.**

2. ROLL CALL: **Deputy City Clerk Guzman**
MEMBERS PRESENT: **Hadjinian, Cobos-Cawthorne, Jimenez, Melendez**
MEMBERS ABSENT: **Torres**
STAFF PRESENT: **City Manager Bobadilla, City Attorney Alvarez-Glasman**

3. STATEMENT OF PUBLIC ORAL COMMUNICATIONS: City Attorney Alvarez-Glasman

Mayor Melendez recessed the meeting into Closed Session at the hour of 8:25 a.m. to discuss the following matter. At the hour of 9:00 a.m. Mayor Melendez reconvened regular portion of the meeting.

CLOSED SESSION

4. THREAT TO PUBLIC SERVICES OR FACILITIES
Government Code Section 54957
Consultation with City Manager, Police Chief, City Attorney and other related City officials.

City Council received a briefing. Direction was provided.

A short break was taken from 9:00 a.m. to 9:10 a.m.

Mayor Melendez recessed the meeting into Closed Session at the hour of 11:25 a.m. to discuss one added item as follows. Councilmember Hadjinian moved, seconded by Councilmember Jimenez to add the item. Motion carried 4-0.

4a. PUBLIC EMPLOYEE DISCIPLINE, DISMISSAL, RELEASE
Government Code Section 54957
One matter

This item was not discussed until the end of Open Session at the hour of 11:25 a.m. Mayor Melendez reconved the meeting at the hour of 11:35 a.m. after discussion. Briefing was provided, no final action, nothing to be reported.

OPEN SESSION

5. REVIEW OF CITY COMMISSIONS

Councilmember Torres submitted comments asking that Council meetings be scheduled in the evening and thanked staff for bring the Commissions to the City Council for discussions and possible changes.

Margot Eiser stated that commissioners should represent the residents an that an Environmental Commission should be formed.

A presentation took place regarding the current commissions.

Director David Sosnowski spoke about the Culture and Recreation, Youth and Golf Commissions and asked that they be consolidated.

Director Joseph Palombi spoke about the Planning Commission and asked that it be changed to include 7 members.

Director James Enriquez spoke about the responsibilities of the Traffic and Safety Commission. City Manager Bobadilla stated that the duties could be handled by the City Engineer, but that policies would have to be adopted.

Director Nicholas Razo spoke about the Civil Service Commission and and asked the commission be changed to a Personnel Advisory Commission and serve for teminations only.

Director Michael Solorza spoke about the current responsibilities of the Investment Committee.

Mayor Melendez stated that various dates were given to Councilmember Torres to meet for a special meeting.

Mayor Pro Tem Cobos-Cawthorne asked for additional information regarding staff costs related to the current commissions.

Councilmembers supported the combination of Golf and Culture and Recreation Commissions, and 2 add to members to the commissions, 5 Commissioners and 2 at-large. Investment Committee will include the oversight of Measure H with 5 appointees (one by each Councilmember) and 2 Council appointed.

Staff was directed to bring back a structure for the Traffic and Safety professional internal committee. Each Councilmember can make an appointment and remove appointee.

6. CITY OF MONTEBELLO 100TH YEAR ANNIVERSARY

Director David Sosnowski presented proposed 100th Anniversary events.

Mayor Pro Tem Cobos-Cawthorne asked if department photos could be taken by the Fire and Police Departments.

City Manager Bobadilla stated that a City employee department photo could be taken.

Councilmember Hadjinian asked that the 100th Anniversary events not coincide with other events.

ADJOURNMENT

Upon motion carried unanimously, Mayor Melendez adjourned the meeting at the hour of 11:35 a.m.

APPROVAL OF MINUTES: Upon motion carried unanimously, the minutes of September 11, 2020 were approved as written on September 23, 2020.

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IRMA BARAJAS, City Clerk