

---

SACRAMENTO VACANT PROPERTIES PROGRAM  
Preferred Builder Handbook

---



INVESTING IN COMMUNITIES

Updated: May 4, 2011  
Supercedes: July 13, 2010

## TABLE OF CONTENTS

Procedures.....	3
Introduction.....	3
General Information.....	3
General Process.....	4
Appendix 1: Construction Standards.....	11
Appendix 2: Insurance Requirements.....	17
Appendix 3: Property Submittal Package Cover Letter.....	21
Appendix 4: Budget Submittal and Scope of Work Forms.....	22
Appendix 5: Payment Request Forms.....	27
Appendix 6: Contingency Request.....	29
Appendix 7: Prevailing Wages.....	30
Appendix 8: Minority and Women’s Business Enterprises.....	31
Appendix 9: New Hires.....	36
Appendix 10: Sub Contracting Reporting for Construction Projects.....	38
Appendix 11: Homebuyer Qualifications.....	39
Appendix 12: Compliance with: Executive Order 1124 and Section 3 of the HUD Act of 1968.....	40
Appendix 13: Vacancy Protocol Certification.....	44
Appendix 14: Economic Interest Disclosure Form.....	45
Appendix 15: VPP Wait List Procedures.....	46

## **PROCEDURES**

This handbook is written to help the Preferred Builder (Builder) understand the Sacramento Vacant Properties Program (VPP) and its requirements. The purpose of the program is to rehabilitate (rehab) and sell foreclosed properties to moderate income homebuyers for owner occupancy.

### **INTRODUCTION**

The VPP is designed to return vacant and blighted homes to owner occupancy by partnering with local builders and non-profits in targeted areas of the City and County of Sacramento. The program provides a developer incentive fee to be paid after homes are rehabilitated and sold to owner-occupants. The VPP will require that the builder/non-profit purchase a foreclosed property in the NSP3 Target Areas and submit their qualifications and budget and scope of work for the rehabilitation.

Following approval of their qualifications and based upon an agreed budget and scope of work based on SHRA construction standards (Appendix 1), the builder can then access a rehabilitation loan if being requested. The loan is disbursed upon verification of the work performed with a 10 percent (10%) retention remaining until such time all work has been completed. The developer fee will be disbursed at the close of escrow when an eligible homebuyer has purchased the property.

### **GENERAL INFORMATION:**

Some important issues that a Builder needs to understand about the program:

1. California State Prevailing Wages will apply when a rehab loan is provided by SHRA. In rare cases, state prevailing wages may not apply (Appendix 7). The wages will not apply when a rehab loan is not provided by SHRA.
2. Federal Minority and Women's Business Enterprises (M/WBE) guidelines need to be met (Appendix 8).
3. Acquisition costs that will be considered reimbursable at the time of sale cannot exceed the appraised market value of the home at the time of purchase. Acquisition costs include payment of any and all liens to obtain a clean title to the property, appraisals, and pest and hazmat reports.
4. All appraisals will be performed by a third party and not an employee of the Builder.
5. Foreclosed properties purchased must be Real Estate Owned (REO) properties in the target areas. Properties purchased at a Trustees' sale will not be accepted.
6. Properties must be vacant at the time of purchase – Vacancy Protocol Certification (Appendix 14).
7. Only properties purchased after the date of approval as a Preferred Builder and the inauguration of the program (June 1, 2011) can be submitted.
8. The title must remain solely in the name of the Preferred Builder until sold to the homebuyer.
9. SHRA will review scope of work and loan amount for approval. Construction Standards are provided in Appendix 1.

10. The sales price of the home will require SHRA approval.
11. A purchase agreement cannot be executed with a potential homebuyer until the Agency approves the proposed sales price.
12. The rehab budget and scope of work require SHRA approval.
  - a. The intent of the VPP is to rehab as many properties as possible; thus, the rehab amount is limited to \$60,000 without prior approval. If SHRA and the Builder cannot agree on required scope of work and necessary budget, the property will not be approved for the program.
  - b. If the Builder thinks the rehab will cost more than \$60,000 and wants the property considered for the program, they may request a review by SHRA prior to the purchase. SHRA may pre-approve a higher loan amount. The review must occur before the purchase of the property.
13. If a Builder receives rehab financial assistance, as part of the loan agreement, a 15% contingency will be added to the rehab budget. SHRA loan fees will be included in the 15% contingency. The contingency funds cannot be spent without SHRA approval.
14. An environmental review is required for all properties prior to receiving a rehab loan. SHRA will conduct the review. Properties over 50 years of age typically require additional review which could potentially delay the approval of the loan.
15. If the acquisition of properties is financed, SHRA will look at the cash assets of the Builder. It will be necessary for the Builder to have six (6) months of cash for payment, interest, taxes, and insurance (PITI) for each additional property. This does not apply to the first property. It applies for each additional property and is cumulative.
16. Builders are limited to two properties in the program, at any given time, if a loan from SHRA is being requested for at least one of the properties. There is no limit when loans are not requested for any property.
17. SHRA has the right to remove participants based on noncompliance with provisions of the program.
18. Since funding is limited and subject to the sale of properties, properties may be put on a wait list (Appendix 16).

## **GENERAL PROCESS**

1. The Builder will submit an application for acceptance to participate in the program. The application will be reviewed by SHRA and the Builder will be approved or declined. A letter will be sent to all applicants informing them of the outcome of their application to the program.
2. The Builder will purchase a foreclosed property in the target area (as defined in General Information #4 above).
3. An approved Builder will bring a property submittal to SHRA for acceptance into the program (the Property Submittal Package cover sheet is also required – Appendix 3). SHRA will review the submittal for approval. Properties may not receive SHRA approval if they do not meet the property guidelines or if SHRA and the Builder cannot agree on the scope of work and budget.
4. SHRA will initiate an environmental review for the property.
5. An OPA agreement will be signed for each approved property.

6. If rehab financial assistance is requested and approved, a rehab loan will be granted and rehab loan documents executed for each approved property.
7. A kick-off meeting is scheduled.
8. After the OPA and rehab loan, if applicable, documents are recorded, construction will proceed with construction oversight by SHRA.
9. Notice of Completion will be recorded and construction close out will be finalized.
10. Home will be listed for sale by the Builder at a price approved in writing by SHRA.
11. A homebuyer will be approved.
12. Upon sale to a qualified homebuyer and close of escrow and upon SHRA receiving notice that transfer of title to an approved buyer is completed, a check for the Developer Fee will be released.
13. The rehab loan and any forgiveness will be settled at the close of escrow.

### **Application Submittal Process to Participate in the Program**

The Builder will present an application to SHRA for review. Included in the submittal will be:

1. Application with all requested information
2. Insurance Certificates (Appendix 2)
3. Tax Returns
4. Financial Information
5. Authorization to Release Information

SHRA will review the financial information, contact references and visit sites. The Builder must pass in all three categories of eligibility review in order to be approved. Written notification will be sent informing the Builder of the decision.

SHRA will return any incomplete applications without reviewing. The Builder would be required to resubmit a completed package.

### **Property Submitted by Approved Builder**

An approved Builder will submit a property for approval. The following items must be submitted for SHRA property reviews:

1. Property Submittal Cover Letter (Appendix 3)
2. Property Purchase Agreement and HUD-1 Settlement Statement
3. Property appraisal (dated within 60 days of the date of purchase)
4. Preliminary Title Report
5. Vacancy Protocol Certification (Appendix 14)
6. Economic Interest Disclosure Form (Appendix 15)
7. Pest reports
8. Hazmat reports
9. Budget Submittal and Scope of Work forms (Appendix 4)
  - a. Budget Submittal
  - b. Scope of Work

c. Material List

10. Insurance Certificates (Appendix 2)

SHRA will review:

1. Property meets program guidelines
  - a. foreclosed property
  - b. vacant property
  - c. purchase price is equal to or less than the appraised value and is in targeted area
  - d. economic interest of the Builder, if applicable
  - e. Remember the above definition for acquisition costs (General Information point 3).
2. Agreement with budget and scope of work
  - a. The rehab budget is limited to \$60,000 without prior SHRA approval.
  - b. The construction standards (Appendix 1), pest reports, hazmat reports and a visit to the site will be utilized in reviewing the scope of work and submitted budget.
3. If SHRA and the Builder cannot agree on budget and scope of work, the property will not be approved.

### **Owner Participation Agreement**

The OPA will be signed by the Builder and SHRA. An individual OPA is required for each property.

### **Rehab Loan Documents**

The rehab loan documents, including a loan agreement, will be signed by the Builder and SHRA as required. An individual rehab loan will be granted for each approved property seeking rehab financial assistance. The rehab loan documents must be recorded prior to start of construction.

The initial loan amount will equal the approved budget plus 15% contingency funds. SHRA loan fees are included in the 15% contingency. The final loan amount will be the total funds disbursed. The loan balance repaid to SHRA will be the actual funds expended, less any approved forgiveness.

The maximum forgiveness is the value of the final loan amount. If the sales price exceeds the acquisition costs plus the rehab costs, then the maximum of the Builder's disposition costs which are forgivable is 7%.

If the Preferred Building is not requesting a rehab loan then these documents will not be executed, however, the other elements of the program, including but not limited to, SHRA management of construction and costs and SHRA approval of homebuyer are still applicable.

## **Construction Phase**

### Pre-Construction Kick-Off Meeting

A pre-construction kick-off meeting will be held with the Builder and the Builder's contractor.

### Site Visits

Upon the start of construction, SHRA will make regular site visits; preferably timed with a payment request. SHRA prefers to review and discuss any concerns with a payment request prior to the site visit. The visit then serves as a review of the payment request and the site. Regardless of whether there is a SHRA rehab loan associated with the property, SHRA will visit the site at least once a month to review compliance with the approved scope of work and SHRA construction standards.

1. Payment Request Review - A significant purpose of the site visit is to review the payment request for approval. Payment requests should be received on a monthly basis and reviewed within five (5) days of receipt. All payment requests should be submitted on SHRA forms (Appendix 5). This is not applicable when a rehab loan is not provided to the Builder.
2. Schedule Review – Construction progress will be discussed.
3. Request for Information (RFI) Log Review – While there may not be per se RFIs for the project, the Lead will discuss any questions or concerns that have arisen in regards to the scope of work.
4. Submittal Log Review - While there may not be per se submittals for the project, the Lead will discuss any questions or concerns that have arisen in regards to the scope of work.

Payment Request Approval – SHRA will review payment requests on a monthly basis. Payment requests should not be submitted more often than monthly. SHRA may request changes to the request prior to payment and will only approve payment of services provided. Advances on work will not be approved. Approved payment requests will be processed with a 10% hold back for retention. The following SHRA forms are required for payment requests.

1. Payment Cover Sheet (Appendix 5)
2. Payment Schedule (Appendix 5)

When demolition is included with the payment request, waste logs must be submitted with the payment request.

### Contingency Requests or Change Orders

SHRA is interested in change orders between the Builder and the contractor / sub-contractor. If the change order reflects a change in scope of work, it will require the approval of SHRA. If the change order reflects a change in a budget item amount, SHRA may choose to pay based on

original budget amount. SHRA Contingency Request form must be submitted to request contingency funds (Appendix 6) and SHRA approval is required prior to proceeding with work.

While in the case of no rehab loan there would not be a contingency request, SHRA still needs to approve change orders for their impact on the scope of work and overall rehab costs.

### Punchlist Inspection

When the Builder notifies SHRA that construction is complete, SHRA will schedule a punchlist inspection visit. A list of items to be corrected will be provided to the Builder. A Notice of Completion will not be signed by SHRA for recording until all punchlist items are corrected to the satisfaction of SHRA.

### Notice of Completion

The Builder submits the Notice of Completion to the Lead after all punchlist items have been completed. If SHRA is satisfied that the work is complete and all close-out documentation has been received, the Notice of Completion will be signed by SHRA.

### Close-out Documentation:

1. Sub Contracting Reporting for Construction Projects (Appendix 10)
2. Subcontracting and Job Opportunities Tracking Log
3. M/WBE Paperwork (Appendix 8)
  - a. M/WBE Outreach Contact Log and Questionnaire
4. New Hire forms (Appendix 9)
  - a. Project New Hire Summary
  - b. New Hire Questionnaire for each new hired employee
5. Signed off Building Permit
6. Proof that all equipment and appliances work
7. Pest clearance report
8. Hazmat clearance report
9. Roof Certifications
10. Owner's Manuals in kitchen drawer
11. Lien releases from all subs
12. Title report showing property is clear of any acquisition liens.

The Notice of Completion will be filed by the Builder with the County Recorder. A copy is to be provided to SHRA. Once received and after the 35 day waiting period, SHRA may release the final payment check.

### **Sale Process**

Builder can list the home for sale after the Notice of Completion is recorded. In order to list the home for sale, the Builder must provide SHRA with a property appraisal reflecting after-rehab value. The appraisal must be performed by a third party and not an employee of the Builder.

The maximum sales price established will be the lesser of after-rehab appraised value, or the total of acquisition, rehabilitation and disposition costs. The acquisition costs are as defined above. Disposition costs include the real estate commission to a maximum of 6% as verified by the property listing agreement, and 1% for miscellaneous seller costs such as marketing, or title and escrow charges. The developer fee is considered acquisition, rehabilitation and disposition cost. In establishing the sales price, SHRA may include a portion or the entire developer fee and up to 7% of disposition costs without going over the appraised value. . If it becomes necessary to use disposition costs and/or developer fee to establish the sales price, then a maximum of 7% for disposition costs will be allowed; the seller credit will not be an eligible expense through the sale of the property.

If SHRA does include the developer fee, or portion thereof, in the calculation of the sales price the developer will be notified. It will be necessary for the developer to pay SHRA the amount of developer fee included in the sales price as program income prior to SHRA issuing a check for the developer fee.

Additionally, VPP allows up to 3% for a seller credit to buyer closing costs as a disposition cost. The program will allow those funds to be used for additional rehab rather than a credit to buyer closing costs. The rehab scope of work and budget would require SHRA approval before committing to the work. After SHRA approval, the scope of work and budget would become part of the purchase contract for the property. If the Builder elected to not have a rehab loan from SHRA, the 3% for a seller credit would not be applicable.

SHRA will provide the Builder written notification of the sales price.

A sales agreement cannot be executed with the homebuyer until the Agency approves the proposed sales price.

When marketing the property, we simply require that a footnote statement be included on all marketing materials that says, "This rehab project was made possible in partnership with SHRA under the federal Neighborhood Stabilization Program." Please do not use logos.

### Sales Price Reductions

Builder can request a reduction to the approved sales price of the home.

A price reduction can only be requested after the property has been listed for a minimum of thirty (30) days at the initial approved sales price. Price reductions must be approved by SHRA.

Price reductions will impact the amount of the loan balance available for forgiveness of other expenses.

### Preventing Windfall Profits

In the event that the Property's after rehabilitation appraised value is more than five percent (5%) above the total of acquisition, rehabilitation, Developer Fee, and and 7 % of the disposition costs

(for this section the “project cost”), SHRA will order an independent third party appraisal to verify the valuation. If following such verification, the after rehabilitation value still exceeds the total project cost by more than five percent, then SHRA will require a regulatory agreement for the first five years of ownership that includes restrictions on refinancing and resale and recapture provisions whereby SHRA recaptures the amount in excess of the five percent sales proceeds within the five year term in excess of five percent of the total project (the Recapture Amount). The Recapture Amount will be reduced by twenty percent for each year of the term of the regulatory agreement. For example only, if the property were to sell after Year 3 of the five year term, SHRA would recapture forty percent of the Recapture Amount (20% for each of the two remaining years of the five year term).

### **Approval of Homebuyer**

Prior to the sale of the home, the homebuyer must be approved by SHRA (Appendix 11). SHRA will review the following buyer eligibility requirements:

1. Gross household income is within program guidelines – 120% AMI
2. Successful completion of 8 hour HUD approved homebuyer education counseling – class certificate required
3. Loan approval documentation for a 30 year fixed rate mortgage. Adjustable rate mortgage must be reviewed and approved by SHRA

### **Developer Fee**

Upon receipt of a certified HUD-1 Settlement Statement reflecting that title of the property has transferred to an SHRA approved homebuyer, the Developer Fee will be released to the Builder.

**APPENDIX 1  
CONSTRUCTION STANDARDS**

**Sacramento Housing and Redevelopment Agency  
Sacramento Vacant Properties Program  
Existing Home Checklist  
revised 2.10.10**

SHRA's Construction Standards for the rehabilitation of single-family homes in the Vacant Properties Program (Program) are incorporated with selected portions of Build It Green's "GreenPoint Rated Existing Home Checklist" (see below), as well as applicable SMUD and PG&E incentive programs, with particular emphasis in three areas: energy efficiency, indoor environmental quality, and durability. The Program does not require GreenPoint Rated certification. However, it is based upon and incorporates many of the same principles as the GreenPoint Rated system. The intent of the following checklist is to familiarize builders and developers with the "GreenPoint Rated Existing Home Rating System" as SHRA's standard for implementing baseline green building measures, while at the same time prescribing the minimum Scope of Work for the construction repairs required to qualify and participate in the Vacant Properties Program. For more information on Build It Green's services, and the full checklist, which includes minimum point count thresholds for achieving certification for various levels of compliance (again, certification is not required under this program), visit [www.builditgreen.org](http://www.builditgreen.org).

Project Name/Address	Points Achieved	Community	Energy	IAQ/Health	Resources	Water
	Possible Points					
<p><b>1. Hazardous Materials:</b> The residence shall be inspected by a licensed Environmental Consultant, who shall prepare a Hazardous Materials Assessment (HMA). This HMA shall identify the presence of the following: LCM (Lead-Containing Materials), ACM (Asbestos-Containing Materials), and visible mold. Contractor shall perform the renovations enumerated below such that the <u>hazards are removed</u> (but not necessarily all of the hazardous materials) to enable safe re-occupancy of the dwelling. Provide a clearance report from the Environmental Consultant, including a Lead Based Paint clearance, indicating that the house is safe for re-occupancy;</p>				2		
<p>a. If the existing flooring material is VAT (vinyl asbestos tile), whether it be the base layer or top layer, it shall be removed, along with its accompanying mastic.</p>						
<p>b. If the existing flooring material is VCT (vinyl composition tile), with an asbestos content of 5% or less, and there is no VAT beneath it, the flooring may remain, and new flooring materials (carpet and/or vinyl) may be installed over it.</p>						
<p>c. If ceiling texture is acoustic with asbestos content, and in poor condition (where portions of the texture are crumbling and/or falling), abatement contractor to scrape and remove it.</p>						
<p>d. Wallboard and/or associated joint compound with asbestos content, and where disturbed as a part of the rehabilitation of the structure, shall be handled as described in the HMA.</p>						
<p>e. Lead-based paint, and other lead-containing items identified in the HMA, shall be handled as described in the HMA. Where allowed to remain in place, these materials shall be stabilized by certified workers (as required in the HMA).</p>						
<p><b>2. Pest Report:</b> The residence shall be inspected by a firm licensed by the State of California Structural Pest Control Board. Complete all items detailed on the resulting Pest Report (Wood Destroying Pest and Organisms Inspection Report), including, but not limited to treatment of the structure to remove wood destroying pests and construction repairs to remove and replace items destroyed by dry-rot. All Section 1 and Section 2 findings must be cleared. Provide a clear Pest Report at the end of the project.</p>					1	
<p>a. Inspect crawl space and foundation area for signs of moisture and water related issues and correct as necessary.</p>						

Project Name/Address		Points Achieved	Community	Energy	IAQ/Health	Resources	Water
<p><b>3. Demolition:</b> Recycle Construction and Demolition (C&amp;D) waste. Contractor shall follow the City of Sacramento's Construction and Demolition Debris Recycling Ordinance. Materials required to be recycled include: Scrap metal, inert materials (dirt, soil, rocks, concrete, asphalt paving, etc.), corrugated cardboard, wood pallets, and clean wood waste (unpainted, untreated lumber and plywood, etc.). <b>Recycle a minimum of 50% of other construction debris.</b> Recycled waste must be taken to an approved sorting facility or solid waste disposal site</p>							
	a. Contractor to keep and submit a "waste log" of all materials hauled away from the project site, as well as all weight tickets of disposed and recycled material. Permit fees associated with this requirement shall be borne by the contractor, and are projected to be 0.04% of the project valuation (\$40 min.)						
	b. Hazardous materials shall be disposed of separately as required by law.			1			
<p><b>4. Windows and Sliding Glass Doors:</b></p>							
	a. If the home contains dual-pane windows, and they have less than a 5-year remaining useful life, remove and replace with new ENERGYSTAR rated windows (e.g. vinyl, fiberglass, etc.) as outlined in SMUD's High Performance Window Program. "Retrofit" windows may be used where applicable and allowed by the Building Department.			0.5			
	b. If single pane windows, regardless of condition, remove and replace with new ENERGYSTAR rated windows (e.g. vinyl, fiberglass, etc.) as outlined in SMUD's High Performance Window Program. "Retrofit" windows may be used where applicable and allowed by the Building Department.			0.5			
	c. If sliding glass doors exist, and if they are single pane and/or have less than a 5-year remaining useful life, remove and replace with new ENERGYSTAR rated sliding glass doors (e.g. vinyl, fiberglass, etc.) as outlined in SMUD's High Performance Window Program.			0.5			
<p><b>5. Gates and Fencing:</b> Remove and replace gates and fencing where necessary (at missing or damaged fence sections). New fencing shall match existing in materials and design. If existing fencing is chain-link, and must be replaced in its entirety, consider replacing with new redwood fencing.</p>							
<p><b>6. HVAC system:</b></p>							
	a. If an HVAC system already exists, and has a remaining useful life of five years or less, remove and replace the entire system. See below for more information on new systems.						
	b. If an HVAC system exists and is in good condition, and has more than 5 years of useful life left, perform diagnostic testing of the unit including refrigerant charge and air flow verification, and a duct leakage test. Repair the unit as necessary to ensure refrigerant charge and air flows are adequately adjusted, seal ducts to less than 15% leakage and/or replace ducts as recommended (see f. below).			2			
	c. If wall furnaces exist, remove and dispose of them, properly cap utility connections, and patch walls as necessary.						
	d. If a new system is installed, furnaces shall have a 92 AFUE rating and be qualified for a PG&E rebate for installation of energy efficient furnace. The Air Conditioning equipment shall be compliant with SMUD's Equipment Replacement Program and ACCA Manuals J, D and S. Air conditioners shall be high efficiency type, using environmentally responsible refrigerants where feasible (but not at the expense of the energy efficiency requirements).			4			
	e. Install a programmable thermostat when not already present.			0.5			
	f. New Ductwork:						
	i. will be installed per the manual D, minimize equivalent lengths and transitions, and eliminate restrictions.			1			
	ii. Use duct mastic on all ducts, joints and seams			1			
	iii. Where feasible, install within conditioned space. If in attic, and where possible, install under attic insulation			1			

Project Name/Address		Points Achieved	Community	Energy	IAQ/Health	Resources	Water
<b>7. Water Heater:</b>							
	a. If existing water heater is more than five years old or otherwise in need of replacement, then replace with new high efficiency unit (at least 0.62 for gas units and 0.93 for electric units)						
	b. Insulate all accessible hot water pipes			1			1
	c. Seismically strap existing or new water heater (to meet current code)						
	d. Consider the installation of Solar Domestic Hot Water Heating that qualifies for SMUD rebates where appropriate.			4			
	e. Consider the installation of a Tankless water heater that complies with PG&E rebates.			2			
<b>8. Plumbing:</b> See Kitchens and Baths for items not covered in this section							
	a. Check for plumbing leaks and repair as necessary						
	b. Other miscellaneous plumbing items (not identified in other sections)						
	c. Consider installation of on-demand circulation control pumps at fixtures located greater than 15 feet from the water heater to reduce wait time and conserve hot water			1			1
	d. Other miscellaneous plumbing items (not identified in other sections)						
<b>9. Electrical:</b> General Electrical scope shall consist of removing and replacing light fixtures, ceiling fans (if applicable), electrical outlets, switches, and telephone/cable TV jacks.							
	a. If existing main electrical service panel is unsatisfactory, replace it.						
	b. Retain licensed electrician to inspect any knob and tube system for integrity and correct as necessary. Consider replacement. When installing insulation, follow proper protocols.						
	c. If Kitchen and bathrooms are not GFCI protected, provide new GFCI protection where required						
	d. If Kitchen and bathrooms are not GFCI protected, provide new GFCI protection where required						
	e. Light fixtures shall be in conformance with current California Title 24 requirements for energy efficiency.						
	f. When SMUD replacement programs are available, replace incandescent fixtures with ENERGYSTAR rated fixtures, or at a minimum, meet current Title 24 requirements			1		1	
	g. Replace all T-12 linear fluorescent with high efficiency T -5 or T-8 lamps with high efficient ballasts			1			
	h. Install lighting controls per Title 24						
	i. Where possible, install Energy Star ceiling fans with light kits in bedrooms and living areas			1			
<b>10. Interior walls and ceilings:</b>							
	a. If necessary, prep and retexture walls and ceilings prior to painting (this work to include all required patching of wallboard)						
	b. If any lead-based paint exists, lead-certified painter to abate and/or stabilize as necessary						

Project Name/Address		Points Achieved	Community	Energy	IAQ/Health	Resources	Water
	c. If any asbestos exists in wallboard and/or ceilings, abatement contractor to handle repairs that disturb the asbestos surface and the removed materials as specified in the Hazardous Materials Assessment.						
<b>11. Painting and sealants:</b>							
	a. Repaint entire interior and exterior with Low-VOC or No-VOC paints, and where possible, recycled-content paints				1		
	b. If any lead-based paint exists, lead-certified painter to abate and/or stabilize as necessary				1		
	c. Where applicable, utilize Low-VOC caulks and construction adhesives				2		
<b>12. Fireplaces/chimneys</b> (as occur): Provide inspection report from certified professional with property submittal, identifying any structural deficiencies in the fireplace and/or chimney;							
	a. New Insert: If inspection report indicates no structural repairs or <u>minor</u> structural repairs necessary, perform structural repairs and install new EPA-approved "retrofit" fireplace insert (gas-fired where practicable).				1		
	b. Removal/Patch-back: If inspection report indicates <u>major</u> structural repairs necessary, provide cost analysis comparing complete removal of fireplace and chimney (and associated patching of affected roof, walls and floors) vs. repairs-plus-fireplace-insert; and proposed solution				1		
<b>13. Exterior doors</b> (including Garage door):							
	a. If in need of replacement, remove existing and replace with new energy efficient doors and frames.					1	
<b>14. Flooring:</b>							
	a. Unless in nearly new (mint) condition, remove and replace any existing carpeting at Bedrooms, Halls and Living/Family rooms.						
	b. If existing flooring is hardwood in good condition, re-finish as necessary (with Low or No-VOC products)					4	
	c. If Entry (Foyer) area does not currently have resilient (i.e. vinyl or linoleum) flooring, provide at least a 42" x 42" area at Entry door area.				1		
	d. If existing Kitchen and Bath flooring is resilient flooring in need of replacement, remove and replace with new.						
	e. Where feasible (cost effective), install rapidly renewable and/or recycled-content flooring					4	
<b>15. Baseboards:</b>							
	a. If necessary, replace with new wood baseboards at carpeted areas, and rubber topset base at resilient flooring.						
<b>16. Sewer lines:</b> Professionally "scope" the lines from house to point of utility connection:							
	a. If repairs necessary, provide most cost-efficient method possible (consider "trenchless" vs. conventional replacement methods)						
<b>17. New smoke detectors:</b> Where required by code.							
<b>18. Interior doors and frames:</b>							
	a. If in need of replacement (damaged beyond reasonable repair), remove existing and replace with new pre-hung six-panel hollow core doors and related hardware.						
<b>19. Window blinds:</b>							

Project Name/Address		Points Achieved	Community	Energy	IAQ/Health	Resources	Water
	a. If none exist, or if existing are not in mint condition, install new 1" horizontal mini-blinds (2" verticals at sliding glass doors)						
<b>20. Concrete flatwork:</b>							
	a. If tripping hazards (vertical displacement of ¼" or greater) exist, and/or if severely deteriorated, remove and replace as required.						
<b>21. Kitchens:</b>							
	a. If necessary (where existing is damaged/deteriorated beyond reasonable repair), remove and replace kitchen cabinetry and countertops. Materials shall be chosen with the goal of reducing formaldehyde content. Replace damaged sheetrock as necessary.					1	
	b. Replace Kitchen sink with new dual-compartment stainless steel sink and new garbage disposer, including angle stops and fixture supply lines						
	c. Appliances: If existing are in disrepair or are not Energy Star rated, then replace with new Energy Star rated appliances using the criteria set forth in SMUD's appliance replacement incentive program, and PG&Es appliance replacement incentive program.					1	
	d. Range hood to be vented to outside				1		
<b>22. Bathrooms:</b> Provide bathroom renovations as necessary, including, where applicable: remove and replace tub and surround (including mixer valve and shower head), vanity, countertop and sink/faucet, low flow toilet, angle stops and fixture supply lines, etc. Replace damaged sheetrock as necessary.							
	a. Where possible, install Energy Star exhaust fans vented to outside				1		
	b. Replace all toilets with greater than 1.6 gal flush with high efficiency toilet of 1.28 gal flush or better using criteria set in local water utility program.						1
	c. Install low flow shower heads (2.0 gal/min) and fixtures (1.5 gal/min)						1
<b>23. Exterior siding:</b>							
	a. If existing is in salvageable condition, replace damaged areas with new to match existing.						
	b. If existing is in failing condition (and must be removed), replace with new 1 coat stucco with 1" foam board R-4.2 substrate. If wall cavities are opened, inspect for any existing wall insulation. Where none exists or requires replacement, fill the stud cavities with insulation (eg. 2X4- R13 Batt and 2X6 R19 Batt). Insulation shall be installed (defect free) without gaps, voids or compressions and inspected prior to covering.						
	c. If in design review area or historical neighborhood, coordinate acceptable façade materials with planning staff and/or design review staff.						
<b>24. Landscaping:</b>							
	a. Grade yards as necessary to divert surface water away from house and towards the natural drainage path.						
	b. If landscaping is salvageable:						
	<ul style="list-style-type: none"> <li>Trim trees and plantings</li> </ul>						
	<ul style="list-style-type: none"> <li>Check and repair irrigation system as necessary. Test for leaks and repair system. Install / replace electric programmable timer if not present or non-functional.</li> </ul>						
	<ul style="list-style-type: none"> <li>Install 3" of mulch to planted areas.</li> </ul>						
	b. Consider cost effective water efficient measures below when upgrading front and back yard landscaping						
	<ul style="list-style-type: none"> <li>Install weather base irrigation controller</li> </ul>						3

Project Name/Address		Points Achieved	Community	Energy	IAQ/Health	Resources	Water
	<ul style="list-style-type: none"> <li>Employ high-efficiency irrigation systems with automatic (electric) programmable controller zoned to separate plants with low and high watering needs</li> </ul>						3
	<ul style="list-style-type: none"> <li>Install 3" of mulch to planted areas.</li> </ul>						
	<ul style="list-style-type: none"> <li>Minimize turf areas and new lawn shall be sod</li> </ul>						
	<ul style="list-style-type: none"> <li>Install native drought tolerant plants (at least 50% of total)</li> </ul>						3
	<ul style="list-style-type: none"> <li>Maintain existing and/or plant new shade trees (from SMUD's Shade tree program)</li> </ul>		1	1			1
	<ul style="list-style-type: none"> <li>Remove any invasive species and replace with low water plants</li> </ul>						1
<b>25. Roofing:</b>							
	a. Conduct visual survey of home interior and attic for signs of water intrusion and correct as necessary.						
	b. If existing roofing has less than ten years of useful life remaining, replace with new 30 year minimum composition asphalt shingles. Provide 3-year roof certification from roofing contractor (or General contractor). Where feasible, install approved "cool roof" colored asphalt shingles.					2	
	c. If roof decking needs to be replaced install roof deck that incorporates radiant barrier.						
	d. If existing roofing has ten or more years of useful life left, perform repairs as required to obtain 3-year roof certification from roofing contractor (or General contractor).						
	e. If damaged beyond reasonable repair, remove and replace gutters and downspouts. Gutters shall be installed at all eaves.						
	f. Replace damaged fascias and barge rafters.						
	g. in the event that roof is replaced consider the installation of Solar PV utilizing SMUD's incentives program outlined in attachment to offset 25-40% of electrical needs annually.						
	h. When roof is replaced gain access to the attic to install attic insulation prior to roof being applied.						
	<b>26. Miscellaneous items:</b>						
	a. Miscellaneous Carpentry						
	b. Other miscellaneous items						
	<b>27. Final Cleaning:</b> Professionally clean unit and grounds after renovation is complete.						
<b>28. Envelope improvement:</b>							
	a. Conduct visual survey of home for signs of water intrusion and moisture related issues and correct exterior envelope if required.						
	b. If wall framing is exposed or drywall is removed, fill the stud cavities with insulation (2X4- R15 Batt and 2X6 R19 Batt). To be installed (defect free) without gaps, voids or compressions and inspected prior to covering.						
	c. Weatherize and caulking to be used at any wall penetrations to reduce air infiltration.						
	d. Any accessible ceiling areas will be insulated with a target level of R38.						
	e. Retrofit radiant barrier where available						
	<b>29. Permits:</b> Signed-off Building permit and any other required permits						
<b>Summary</b>	Total Available Points	68	1	24	11	17	15
	Total Points Achieved						

## **APPENDIX 2 INSURANCE REQUIREMENTS**

### **Basic Requirements**

Any questions or concerns regarding insurance coverage should be discussed with Procurement Services, General Counsel, or Risk Management. Work should not proceed until insurance issues / concerns are resolved.

During the term of the contract, the vendor must maintain the following insurance coverage from insurance providers licensed to do business in California and having a Best's rating of at least A-VII, or a rating of such other rating service as the Agency, in its sole discretion, shall require.

1. Commercial General Liability – A policy of comprehensive general liability insurance which shall include, without limitation, coverage for contractual liability, public liability and property damage, written for not less than the single limit liability coverage stated.
  - a. Contractor shall provide Commercial General Liability Insurance using ISO “Commercial General Liability” policy form CG 00 01, with limits of no less than \$1,000,000 per occurrence for all covered losses and \$2,000,000 general aggregate and having a deductible of Twenty-five Thousand Dollars (\$25,000) or less.
  - b. Infrastructure projects and projects over one million dollars need to be reviewed by General Counsel to determine insurance limits.
2. Automobile Liability – If motor vehicles are used in performing services in connection with this Contract, a policy of automobile liability insurance written for not less than the liability coverage stated.
  - a. If motor vehicles are used in connection with this Contract, Three Hundred Thousand Dollars (\$300,000) or more of automobile liability coverage having a deductible of Five Thousand Dollars (\$5,000) or less.
  - b. For construction and maintenance service contracts, contractor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 or the exact equivalent with a limit of no less than \$1,000,000 per accident and having a deductible of Five Thousand Dollars (\$5,000) or less.
  - c. For contracts where a motorized vehicle is required for the performance of contracted services (appraisers, real estate brokers, etc.), contractor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 or the exact equivalent with a limit of no less than \$1,000,000 per accident and having a deductible of Five Thousand Dollars (\$5,000) or less.

3. Workers compensation – A workers compensation policy which covers all employees of vendor and each and every subcontractor and which is written in accordance with California law.
  - a. Contractor shall provide Workers Compensation and Employers Liability Insurance on a state approved policy form providing benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.
  - b. California law requires a company to have Worker's Compensation insurance if they have one (1) or more employees. It is required whether the employee is full-time, part-time, or temporary. All employees of a company as legally defined including corporate officers and directors must be included in the Worker's Compensation policy unless they are owners of the firm. An owner of a firm is defined as having a 25% interest in the firm.
  - c. A family member is an employee unless he/she is an owner in the firm. An owner of a firm is defined as having a 25% interest in the firm.
  - d. Roofers are required to have Worker's Compensation for the owner. It does not matter whether or not the company has employees; the company must have Worker's Compensation, because the owner must be covered.
4. Product Liability or Excess Liability – Construction contracts for work over \$5,000 require Product Liability or Excess Liability insurance for the coverage stated.
  - a. For construction contracts over \$5,000.
  - b. Contractor shall provide "all risk" coverage for the completed value of the project. Policies shall contain the following provisions: (1) Agency shall be named as loss payee; and (2) the insurer shall waive all rights of recovery against Agency.
  - c. Not required for modernization work which does not involve structural alterations or additions and where the Agency's existing fire and extended coverage policy can be endorsed to include such work.
  - d. The Contractor shall obtain and maintain, during the term of the Contract, property insurance upon the Project at an amount equal to the full insurable value of the Project at all times. The insurance shall include the interest of the Agency and the contractor as named insured, and all subcontractors and sub-contractors as their interest may appear, in the Project and shall insure against the perils of fire and extended coverage and shall include "all risk" insurance for physical loss and damage including without duplication of coverage, theft, vandalism, and malicious mischief.
5. Professional Liability (Errors or Omissions) – only required for Design Professionals. The architect / engineer shall maintain errors and omissions insurance at all times the Contract is

in effect and for a period of five years (or for as long as available at commercially reasonable rates) after final completion of the Project.

- a. Coverage of not less than \$1,000,000 per occurrence and a deductible of not more than \$25,000.
6. Failure to maintain the required insurance coverage is a material breach of the Contract. Agency shall, nevertheless, have the right, without obligation, to pay any delinquent insurance premiums and any other charges to reinstate or maintain the required insurance policies and coverage. Vendor must immediately reimburse Agency for any and all costs incurred by Agency in obtaining or maintaining such insurance. If Agency does incur such costs, Agency shall have the right to withhold such amount from any payment due to the vendor under the Contract and to reduce the compensation payable to the vendor under the Contract by such amount.
  7. Before beginning any work under the Contract, vendor must provide Agency with certificates of insurance and copies of the insurance policies demonstrating the required coverage. Vendor must assure that such certificates are in a form reasonably acceptable to the Agency and reflect fulfillment of all of the requirements of the Contract.

### **Agency as Additional Insured**

All of the insurance policies, except the workers compensation policy, shall name Agency, its officers, directors, commissioners, agents, consultants and employees, as additional insureds. The certificate must read Sacramento Housing and Redevelopment Agency and its constituent entities.

### **30-Day Cancellation**

1. For contracts which require more than 30 days for the performance of work, the vendor must assure that the coverage afforded under the policies can only be canceled after thirty (30) days prior written notice to the Agency of the pending cancellation. **All** insurance certificates and the underlying policies shall each contain a provision stating that coverages afforded under the policies shall not be canceled until at least thirty (30) days prior written notice has been given to the Agency at the following address:

Sacramento Housing & Redevelopment Agency  
320 Commerce Circle – Procurement Services (PS)  
Sacramento, CA 95815

2. There are two ways to satisfy this requirement:
  - a. The cancellation clause on the certificate of insurance may be modified to read as follows:

Cancellation: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the certificate holder named to the left, ~~but failure to mail such a notice shall impose no obligation or liability of any kind upon the company, its agents or representative.~~

- b. The following statement may be included on the insurance certificate:

Notice of cancellation will be provided within ten (10) days for non-payment, and within thirty (30) days all others.



## **APPENDIX 4**

### **BUDGET SUBMITTAL AND SCOPE OF WORK FORMS**

There are three forms that must be submitted with the property for SHRA to review for rehab loan approval.

1. Budget Submittal
2. Scope of Work
3. Material List

#### **Budget Submittal**

The Builder (sample follows) will provide an itemized cost for each of the areas defined by the Construction Standards (Appendix 1) checklist. The form asks for total costs and unit cost.

Legend for unit costs:

EA – Each  
LF – Linear Foot  
LS – Lump Sum  
SF – Square Foot  
SQ - Square  
SY – Square Yard

#### **Scope of Work**

A sample page with a scope of work for some work items follows. Again, the form follows the Construction Standards (Appendix 1) checklist. The form is for describing exactly what work will be performed.

#### **Material List**

The form is used for providing manufacturer information for materials that will be used in the rehab. Minimum allowance amount is provided for some items.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
SACRAMENTO VACANT PROPERTIES PROGRAM  
BUDGET SUBMITTAL (SCOPE OF WORK ATTACHED)

Property Address:		Preferred Builder:					
#			TOTAL COSTS	PER UNIT COST	# OF UNITS	UNIT	COMMENTS
1	<b>Hazardous Materials</b>						
		Asbestos		\$ -		LS	
		Lead-based paint		\$ -		LS	
		Mold		\$ -		LS	
		Other		\$ -		LS	
2	<b>Pest Report</b>						
		Treatment (if app.)		\$ -		LS	
		Dryrot repairs		\$ -		LS	
3	<b>Demolition</b>						
		General Demo (non-regulated)		\$ -		LS	
		C&D Recycling Demo (regulated)		\$ -		LS	
4	<b>Glass Doors</b>			\$ -		EA	
5	<b>Gates &amp; Fencing</b>			\$ -		LF	
6	<b>HVAC System</b>			\$ -		LS	
7	<b>Water Heater</b>			\$ -		LS	
8	<b>Plumbing</b>						
		General Plumbing		\$ -		LS	
		Miscellaneous		\$ -		EA	
9	<b>Electrical</b>						
		General Electrical		\$ -		LS	
		Service Panel(s)		\$ -		EA	
10	<b>Interior Walls &amp; Ceilings</b>			\$ -		SF	
11	<b>Painting &amp; Sealants</b>						
		Interior		\$ -		LS	
		Exterior		\$ -		LS	
12	<b>Fireplaces / Chimneys</b>						
		New Insert		\$ -		LS	
		Removal/patching		\$ -		LS	
13	<b>Exterior Doors</b>						
		Person-Doors		\$ -		EA	
		Garage Door		\$ -		EA	
14	<b>Flooring</b>						
		Vinyl		\$ -		SY	
		Carpet		\$ -		SY	
15	<b>Baseboards</b>			\$ -		LF	
16	<b>Sewer Lines</b>			\$ -		LF	
17	<b>Smoke Detectors</b>			\$ -		EA	
18	<b>Interior Doors and Frames</b>			\$ -		EA	
19	<b>Window Blinds</b>			\$ -		EA	
20	<b>Concrete Flatwork</b>			\$ -		SF	
21	<b>Kitchens</b>						
		Cabinets		\$ -		LF	
		Countertops		\$ -		LF	
		Sink (w / disposal)		\$ -		EA	
		Range		\$ -		EA	
		Range Hood		\$ -		EA	
		Dishwasher		\$ -		EA	

		Other		\$ -	EA
<b>22</b>	<b>Bathrooms</b>				
		Toilet		\$ -	EA
		Sink / Vanity		\$ -	EA
		Tub / Shower		\$ -	EA
		Tub / Shower Surround		\$ -	EA
		Exhaust Fan		\$ -	EA
<b>23</b>	<b>Exterior Siding</b>			\$ -	SF
<b>24</b>	<b>Front Yard Landscaping</b>			\$ -	LS
<b>25</b>	<b>Roofing</b>			\$ -	SQ
<b>26</b>	<b>Miscellaneous Items</b>				
		Misc. Carpentry		\$ -	LS
		Other Misc. Items		\$ -	LS
<b>27</b>	<b>Final Cleaning</b>			\$ -	LS
	Energy Analysis				
<b>28</b>	<b>(if applicable)</b>			\$ -	
<b>29</b>	<b>Permits</b>			\$ -	EA

**ADDITIONAL COMMENTS:**

**TOTALS:** \$ - \$ -

\_\_\_\_\_  
 PREFERRED BUILDER

\_\_\_\_\_  
 DATE

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
SACRAMENTO VACANT PROPERTIES PROGRAM  
SCOPE OF WORK - SAMPLE**

Property Address

Preferred Builder

Property Address	Preferred Builder
<b>1 Hazardous Materials - Provide description of proposed abatement activities.</b>	
<b>2 Pest Report - Provide work description to complete Sec. 1 &amp; 2 on termite report. Termite clearance report.</b>	
Complete work listed in North American and Pest Control report #1720 dated 4/20/96. Reinspection until clearance. Remove and replace 2.6 tongue and groove sub flooring as per termite report at bathroom location, including resetting of existing water closet. Treat sub area wood members at bathroom floor framing with copper nphanate.	
<b>3 Demolition - Provide work description. Waste logs will be required with payment requests</b>	
<b>4 Windows and Sliding Glass Doors - Provide work description.</b>	
Demolish all wood sash windows. Install 13 International, block frame, aluminum dual pane, single hung, stationary and XO sliders to existing window openings.	
<b>5 Gate and Fencing - Provide work description including linear footage, materials &amp; fencing design.</b>	
<b>6 HVAC System - Provide work description including brand, size, SEER, AFUE rating &amp; unit location, etc.</b>	
<b>7 Water Heater - Provide work description including capacity &amp; efficiency.</b>	



Date of Bid \_\_\_\_\_

Preferred Builder \_\_\_\_\_

**MATERIALS LIST**

Allowance Items	Minimum Allowance	Manufacturer	Model	Color
Range/Stove*	\$400.00			
Cooktop*	\$400.00			
Oven*	\$600.00			
Rangehood	\$75.00			
Dishwasher*	\$300.00			
Garbage Disposal	\$110.00			
Shower Door	\$200.00			
Mixer Valve	\$75.00			
Screen Door	\$75.00			
Bath Vanity (cabinet/basin/top) per/in	\$14.00			
Security Door	\$80.00			
Light Fixture/each	\$25.00			
Carpet w/o pad, per sq. yd.	\$18.00			
Vinyl Sheet Goods, per sq. yd.	\$15.00			
Ceramic tile, per sq. ft	\$2.00			
Ceramic tile, per sq. ft	\$3.00			
Microwave (built in)	\$200.00			
Kitchen Faucet	\$100.00			

\*Appliance must be built-in. Allowance is for the purchase and delivery of the appliance. Labor costs may be added.

Doors	Manufacturer	Model	Size	Type/Style	Quantity
Exterior					
Lockset					
Interior					
Lockset					
Patio					
Screen					
Garage					
Garage Opener					
<b>WINDOWS</b>					

**APPENDIX 5  
PAYMENT REQUEST FORM**



**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
SACRAMENTO VACANT PROPERTIES PROGRAM  
PAYMENT COVER SHEET**

Date: \_\_\_\_\_

**Property Address:** \_\_\_\_\_ **Developer:** \_\_\_\_\_

Approved Budget \_\_\_\_\_

Approved Contingency \_\_\_\_\_

SUBTOTAL \_\_\_\_\_ (Approved Budget)

Completed to Date \_\_\_\_\_ % Complete \_\_\_\_\_

10% Retention \_\_\_\_\_

Payments Received to Date \_\_\_\_\_

**NET DUE** \_\_\_\_\_

\_\_\_\_\_  
**PREFERRED BUILDER**

\_\_\_\_\_  
**SHRA**

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
SACRAMENTO VACANT PROPERTIES PROGRAM  
PAYMENT SCHEDULE

Property Address:		Preferred Builder:				
#		BUDGET	COMPLETED		PAID TO DATE	NET DUE
			%	\$		
1	<b>Hazardous Materials</b>					
	Asbestos					
	Lead-based paint					
	Mold					
	Other					
2	<b>Pest Report</b>					
	Treatment (if app.)					
	Dryrot repairs					
3	<b>Demolition</b>					
	General Demo (non-regulated)					
	C&D Recycling Demo (regulated)					
4	<b>Sliding Glass</b>					
5	<b>Gates &amp; Fencing</b>					
6	<b>HVAC System</b>					
7	<b>Water Heater</b>					
8	<b>Plumbing</b>					
	General Plumbing					
	Miscellaneous					
9	<b>Electrical</b>					
	General Electrical					
	Service Panel(s)					
10	<b>Interior Walls &amp; Ceilings</b>					
11	<b>Painting &amp; Sealants</b>					
	Interior					
	Exterior					
12	<b>Fireplaces / Chimneys</b>					
	New Insert					
	Removal/patching					
13	<b>Exterior Doors</b>					
	Person-Doors					
	Garage Door					
14	<b>Flooring</b>					
	Vinyl					
	Carpet					
15	<b>Baseboards</b>					
16	<b>Sewer Lines</b>					
17	<b>Smoke Detectors</b>					
18	<b>Interior Doors and Frames</b>					
19	<b>Window Blinds</b>					
20	<b>Concrete Flatwork</b>					
21	<b>Kitchens</b>					
	Cabinets					
	Countertops					
	Sink (w / disposal)					
	Range					
	Range Hood					
	Dishwasher					
	Other					
22	<b>Bathrooms</b>					
	Toilet					
	Sink / Vanity					



## **APPENDIX 7 PREVAILING WAGES**

### **General Instructions**

The employer (e.g. preferred builder, developers, contractors, subcontractors) shall pay state prevailing wage for that trade. Employers shall make and maintain for three (3) years from the completion of the work, records containing information demonstrating compliance with the prevailing wage rates determined to be applicable to the work. These records must at a minimum contain for each laborer and mechanic employed:

1. His or her name, address and social security number
2. Correct work classification or classifications
3. Hourly rate or rates of monetary wages paid
4. Rate or rates of any fringe benefits provided
5. Number of daily and weekly hours worked
6. Gross wages earned
7. Any deductions taken
8. Actual wages paid (net earnings)
9. Certification / Statement of Employer Fringe Benefits Payments

### **California State Prevailing Wages**

State of California prevailing wage requirements and information can be found online at the California Department of Industrial Relations (DIR) website at: [www.dir.ca.gov](http://www.dir.ca.gov)

California State wage decisions are found online at: [www.dir.ca.gov/DLSR/PWD](http://www.dir.ca.gov/DLSR/PWD)

## **APPENDIX 8 MINORITY AND WOMEN'S BUSINESS ENTERPRISE GUIDELINES FOR FEDERALLY FUNDED PROJECTS WITH SUBCONTRACTING OPPORTUNITIES**

### **PROGRAM REQUIREMENTS**

This project is subject to the Minority Business Enterprise (“MBE”) and Women’s Business Enterprise (“WBE”) requirements under the U.S Department of Housing and Urban Development. Depending on the type of project and funding source, the specific federal requirements are found at 24 CFR 85.36(e) or at 24 CFR 84.44(b).

Developers / contractors are required to solicit quotes from M/WBE sub-trades/firms for any subcontracting opportunity. This can be achieved by advertising in a daily or weekly newspaper / trade magazine of general circulation; or, by contacting the M/WBE sub-trades/firms directly. SHRA’s M/WBE program is designed to help developers / contractors meet HUD M/WBE requirements and is modified periodically to increase usefulness in response to local and national objectives.

### **M / WBE CERTIFICATION**

A MBE or WBE designated as such when reporting must, upon request, certify that the firm is owned and controlled by a woman or a member of a minority group or groups. SHRA can provide a declaration statement that meets our certification requirements. A firm may also complete a Vendor Application to certify. Any firm interested in participating in the SHRA Outreach List may do so by completing a Vendor Application available from Procurement Services.

### **DEMONSTRATING GOOD FAITH EFFORTS**

The developer / contractor has the responsibility of demonstrating that its efforts meet the M/WBE Program Requirements of soliciting from M/WBE’s for any subcontracting opportunities. SHRA has provided the Section 00840-1 and 00840-2 forms which are to be utilized by developers / contractors to demonstrate their efforts to comply with the M/WBE Program Requirements. Developers / contractors must submit a completed Section 00840-1 Outreach Contact Log and Section 00840-2 Questionnaire (including any supporting documentation) with the close-out documentation. Failure to do outreach can remove the property and developer from the program.

- A. Complete Section 00840-1, **M/WBE Outreach Contact Log**, by recording results of your direct solicitation (phone) efforts to contact M/WBE sub-contractors or by attaching copies of advertisement or facsimile solicitations. Developers / contractors must identify any M/WBE sub-contractors and materials suppliers being utilized on your project by indicating so in the “accepted” column of the M/WBE Outreach Contact Log and submit with close-out documentation. \*If no subcontracting opportunities exist, indicate “No subcontracting. All work to be completed by developer / contractor.”

- B. Complete Section 00840-2, **Outreach Questionnaire** and submit with the close-out documentation. NOTE: Any probable subcontracting trade listed in item number one that you list as being “Performed by Subcontractor” constitutes a subcontracting opportunity and would require solicitation of quotes from a M/WBE firm.
- C. SHRA can provide a specific list of M/WBE vendors, contractors and suppliers, if requested.

### **ADDITIONAL REQUIREMENTS**

- A. The selected contractor shall maintain records of all subcontracts and materials purchases with M/WBE subcontractors and suppliers. Such records shall show the name and business address of every M/WBE subcontractor or vendor/supplier and the total dollar amount actually paid to each M/WBE firm.

Upon completion of the contract, a summary of these records shall be prepared, certified correct by the contractor or authorized representative and, upon request, furnished to SHRA.

- B. Failure to provide specific information, records, reports, certifications, or any other documents required for compliance with these specifications shall be considered noncompliance with the contract.
- C. No substitution of subcontractor, whether M/WBE or otherwise, shall be made at any time without making a M/WBE good faith efforts to replace the original subcontractor.

### **ATTACHMENTS 00840-1, and 00840-2**

Attachment Section 00840-1 Outreach Contact Log (Submit with the close-out documentation)  
Attachment 0840-2 Questionnaire (Submit with the close-out documentation)

SECTION 00840-1

M/WBE OUTREACH CONTACT LOG

<p><u>M/WBE Subcontractors and Materials/Suppliers Contacted:</u> (Include Name of Business, Address, Phone, Name of Contact Person)</p> <p>*Include Services or Materials/Supplies Description (if accepted)</p>	Date Notified	<p><b>M/WBE OUTREACH CONTACT LOG</b></p> <p><b><u>INDICATE ALL M/WBE Subcontractors and Materials/Suppliers that were contacted during the course of your M/WBE Outreach. Of those contacted indicate whether they were either rejected or accepted.</u></b></p>					<p>If Rejected Give Reason. i.e. Non-response, etc.</p>	<p>Efforts to Remedy Deficiency in Sub-Bid (Assistance in referring for bonding or insurance for increasing work force, etc.)</p>
		Bid						
		How Notified* (Direct mail, phone, etc)	Yes	No	M/WBE Accepted	M/WBE Rejected		

\* Attach copies of all solicitations made via direct mail and/or advertisement and responses received. (Submit with bid/offeror)

BIDDER'S/OFFEROR'S SIGNATURE: \_\_\_\_\_

# QUESTIONNAIRE

# SECTION 00840-2

(Submit with the bid/offer.)

1. Probable Subcontracting Trades involved in this Contract:

**Add the above trades to the following matrix and delete this line and trades above**

Trade *	Performed by Prime:	Performed by Subcontractor: (identify subcontractor)

\*(Prime **MUST** identify if Trade is being performed in-house or indicate the sub performing the work)

2. State how the work was divided into economically feasible units to facilitate using MBE's and WBE's:

---

---

---

---

A. Was the work divided into all the individual sub trades? / If not, then why?

---

---

---

---

B. Was the work divided into separate material and services? / If so, then list them:

---

---

---

---

# QUESTIONNAIRE

# SECTION 00840-2

3. What information about the work items was provided to M/WBEs? e.g. copies of plans, specifications, subcontracting requirements, etc. *(Provide copies of correspondence or description of information sent to MBEs/WBEs.)*

---

---

---

- 
- 
4. What assistance was requested and received from M/WBE referral agencies? e.g. community organizations, M/WBE contractor groups, public agencies, etc. (Provide the names and dates of all referral agencies contacted.)

---

---

---

---

5. What assistance was offered or provided to M/WBEs? e.g. meeting insurance and bonding requirements, obtaining lines of credit, becoming recognized as an M/WBE, opportunity to review plans and specifications, etc.

---

---

---

---

6. State anything else that you would like to add in support of your demonstration to meet the minimum requirements of your good faith effort. List any problems encountered in soliciting subcontracting opportunities.

---

---

---

---

## **AFFIDAVIT**

The undersigned hereby declares under penalty of perjury under the Laws of the State of California that the foregoing statements on this questionnaire are true and correct.

I acknowledge that any misrepresentation of a material fact in said statements may be grounds for initiating action under Federal or State laws and for rejecting the bid/offer.

Bidder's/Offeror's

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

County where signed: \_\_\_\_\_

## APPENDIX 9 Project New Hire Summary

**Developer / Contractor:** \_\_\_\_\_

**Project Name:** \_\_\_\_\_ **Project Number:** \_\_\_\_\_

**Number of company employees who performed work on this project:** \_\_\_\_\_

You are required to furnish the following information to comply with the terms of the contract for this project. This form is to be completed and returned with the close-out documentation.

During the course of the project you and/or your subcontractor(s) may find the need to hire new workers to complete the project. "New Hires" are defined as persons hired specifically to perform work on this project. Should "New Hires" be necessary, you are encouraged to hire persons residing within the "Local Area". The "Local Area" defined as, within the boundaries of Sacramento County. All new hires are to be recorded whether they reside within the Local Area or not. Each new hire is to complete a New Hire Questionnaire (attached) at the time of employment. All completed Questionnaires are to be attached to this summary sheet and returned with the close-out documentation. The purpose of the Questionnaire is to allow the gathering of information to gauge the economic impact of this project on the community (Local Area) and report statistical results to HUD. The greatest economic impact is made by the hiring of Section 3 residents. Section 3 residents are defined as, public housing residents **or** persons who live in the Local Area where the project is located and who have a household income the falls below HUD's income limits.

Collect, tally and record the following information during the project (use additional sheets if necessary). This requirement applies to **all** contractors and subcontractors working on this project.

- 1. What trades/classifications/professions (e.g. carpenter, plumber, laborer, architect, engineer, etc.) were hired specifically for this project.**
- 2. Total number of New Hires for each trade/classification/profession.**
- 3. Number of New Hires that were Local Area residents and those that were Section 3.**

Trade / Classification / Profession	Total New Hires	Local Area New Hires	Section 3 New Hires

I declare that the above is true and correct to the best of my knowledge.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

## New Hire Questionnaire (2008)

**Developer/Contractor:** \_\_\_\_\_

**Project Name:** \_\_\_\_\_ **Project Number:** \_\_\_\_\_

**Note to employer:** Use this form as part of your new hire process.

### Questionnaire

Your employer is required to furnish the following information in complying with the terms of the contract for this project. All information you provide will be **confidential** and will be used to prepare statistical reports. Your responses will not affect your employment situation. Please complete all requested information and return this form to your employer.

**1. New Hire**

First Name: \_\_\_\_\_ Middle Initial: \_\_\_\_ Last Name: \_\_\_\_\_

Street Address: \_\_\_\_\_ City: \_\_\_\_\_ Phone: \_\_\_\_\_

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Job Title: \_\_\_\_\_

Ethnic Code: \_\_\_\_\_ (1=White, Caucasian; 2=Black, African American; 3= Native American; 4= Hispanic; 5= Asian, Pacific Islander; 0=Other) Sex: \_\_\_\_Male \_\_\_\_Female

**2. Income before taking this job.** We need to know the economic impact this job has on the community. Please review the chart below, match your household size (include yourself) with the **maximum** household income; then, place a checkmark next to the category type (A, B or C) that applies to your household.

Category A								
Household Size								
Maximum income	1	2	3	4	5	6	7	8
	\$24,850	\$28,400	\$31,950	\$35,500	\$38,350	\$41,200	\$44,000	\$46,850

Category B								
Household Size								
	1	2	3	4	5	6	7	8
At least	\$24,850	\$28,400	\$31,950	\$35,500	\$38,350	\$41,200	\$44,000	\$46,850
But no more than	\$39,750	\$45,450	\$51,100	\$56,800	\$61,350	\$65,900	\$70,450	\$75,000

Category C = exceeds the maximum of Category B

For example, suppose your household size is 3 and the total annual household income was \$32,00.00. From the charts above, the income was above the maximum for type A for a family of 3 (\$31,950.00) but less than maximum for B (\$51,100.00) for a family of 3. You would checkmark B.

**Mark one category:** A \_\_\_\_\_; B \_\_\_\_\_; C \_\_\_\_\_.

**3. Job Source:** how did you find about this job? referred by: \_\_\_\_\_; recruited by: \_\_\_\_\_; other: \_\_\_\_\_.

**4. Statement**

I declare that the above is true and correct to the best of my knowledge.

Your signature: \_\_\_\_\_ Date: \_\_\_\_\_



**APPENDIX 10**



**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

**Sub-Contracting Reporting for Construction Projects**

Project Name \_\_\_\_\_  
 Project Number \_\_\_\_\_  
 Project Dollar Amount \_\_\_\_\_

Prime Contractor \_\_\_\_\_  
 Address \_\_\_\_\_  
 Tax ID # \_\_\_\_\_  
 Trade \_\_\_\_\_ Company Size \_\_\_\_\_  
 Section 3 Business  Yes  No M/WBE Designation \_\_\_\_\_

Sub Contractor \_\_\_\_\_  
 Address \_\_\_\_\_  
 Trade \_\_\_\_\_  
 Contract Amount \_\_\_\_\_ Company Size \_\_\_\_\_  
 Section 3 Business  Yes  No M/WBE Designation \_\_\_\_\_

Sub Contractor \_\_\_\_\_  
 Address \_\_\_\_\_  
 Trade \_\_\_\_\_  
 Contract Amount \_\_\_\_\_ Company Size \_\_\_\_\_  
 Section 3 Business  Yes  No M/WBE Designation \_\_\_\_\_

**Section 3 Business**

51% or more owned by Section 3 residents **or** employs Section 3 residents for at least 30% of its full-time, permanent staff, **or** provides evidence of a commitment to subcontract to Section 3 business concerns by awarding 25% or more of the dollar amount of awarded contracts to businesses that meet either of the above qualifications

**MWBE Designation**

- MA - Male Asian
- MB - Male Black
- MH - Male Hispanic
- MN - Male Native American
- MO - Male Other (including Caucasian)
- WA - Women Asian
- WB - Women Black
- WH - Women Hispanic
- WN - Women Native American
- WO - Women Other (including Caucasian)

**COMPANY SIZE**

**Small Business**

A business with 50 or fewer employees, and an average annual gross receipts of \$5 million or less over the previous three tax years, or a Manufacturer with 50 or fewer employees.

**Very Small Business**

A business with 25 or fewer employees, and an average annual gross receipts of \$2.5 million or less over the previous three tax years, or a Manufacturer with 25 or fewer employees.

**N/A** – All others



## **Appendix 12**

### **Compliance with: Executive Order 11246 and Section 3 of the HUD Act of 1968**

This contract is subject to Executive Order 11246, as amended, related to affirmative action in construction for all contracts exceeding \$10,000; and is subject to Section 3 of the HUD Act of 1968, as amended, related to economic development, including employment.

Both Executive Order 11246 and Section 3 require postings at the job site. The Equal Employment Opportunity is the Law poster must be posted in an area where workers on the job site may reasonably view it. The Section 3 poster must be posted in an area where the public may reasonably view it.

### **Section 3**

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) requires all contractors and sub-contractors offering to perform work on a Section 3 covered project ensure that employment and other economic and business opportunities generated by the HUD financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons (Section 3 residents), particularly recipients of government housing assistance, and Section 3 business concerns that provide economic opportunities to low- and very low-income persons.

Neither Section 3 nor the requirements of 24 CFR Part 135 supersede the general requirement of 24 CFR 85.36(c) that all procurement transactions be conducted in a competitive manner.

### **Contractor Actions to Demonstrate a Section 3 Good Faith Effort**

The Sacramento Housing and Redevelopment Agency (SHRA) has posted this project on its website ([www.shra.org](http://www.shra.org)), listing the point of contact for any inquiries concerning employment and/or bidding opportunities. Flyers are posted at public housing sites and SHRA offices advising interested parties of the availability of this information.

To demonstrate a good faith effort to employ Section 3 qualified residents and businesses, all contractors bidding/offering to perform work on this Section 3 covered project shall maintain a Tracking Log of inquiries received concerning possible employment and/or subcontracting opportunities and indicate what action was taken in response to each inquiry.

A completed Tracking Log is to be submitted with the contractor's final application for payment. Should the contractor receive no inquiries, they are to indicate so on the Tracking Log

New Hire Questionnaire: Each new hire of the contractor and all subcontractors is required to complete a New Hire Questionnaire. The questionnaire is to be submitted to SHRA within one (1) week following the hire date. The purpose of the questionnaire is to allow the gathering of information to gauge the economic impact of this project on the community (Local Area) and report statistical results to HUD. The greatest economic impact is made by the hiring of Section 3 Residents and the use of Section 3 Businesses as subcontractors and/or suppliers.

Project New Hire Summary: The prime contractor and all subcontractors are to collect, tally and record the required information during the course of the project. The prime contractor is responsible for collecting the completed forms from all subcontractors working on this project and submitting all forms with their final application for payment for the project.

## **Definitions**

### **Employment Opportunity**

Any job opening arising from Section 3 covered contracts/projects, including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities (construction manager, relocation specialist, payroll clerk, etc.)

### **New Hire**

An individual that is not employed by the contractor at the time the contract is executed (hired to specifically perform work on this project).

### **Section 3 Resident**

- (1) Public housing residents
- (2) Persons who live in the Local Area (within the boundaries of the City and County of Sacramento) where a HUD assisted project is located and who is considered to be a low- to very-low income person (have a household income that falls below HUD's income limits). HUD income limits are provided on the New Hire Questionnaire.

### **Section 3 Business**

- (1) 51% or more owned by Section 3 residents; or
- (2) At least 30% of its full-time, permanent staff are Section 3 residents; or
- (3) Provides evidence of a commitment to subcontract to Section 3 business concerns, 25% or more of the dollar amount of the awarded contract to businesses that meet the qualifications set forth in items (1) or (2) above.

### **Section 3 Covered Contract**

A contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project.

### Section 3 Covered Project

The construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.



**APPENDIX 13**  
**VACANCY PROTOCOL CERTIFICATION**

**Neighborhood Stabilization Program**  
**Vacant Property Program**

The Sacramento Housing and Redevelopment Agency (SHRA) as part of its due diligence prior to providing assistance to preferred builders through the Vacant Property Program requires its partner builders to conduct an onsite inspection of all potential properties to be purchased for the Vacant Property Program. This form documents whether the unit is vacant at time of inspection. It is a requirement of the Vacant Property Program that all units be vacant at the time of purchase by the Preferred Builder.

Date of Inspection: \_\_\_\_\_

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

Preferred Builder Y  N

\_\_\_\_\_  
(address, city and zip)

\_\_\_\_\_  
(Name of Builder)

Property is Vacant: Y  N  (if N is checked - relocation is required)

\_\_\_\_\_ Date \_\_\_\_\_

**APPENDIX 14**  
**ECONOMIC INTEREST DISCLOSURE FORM**

**Neighborhood Stabilization Program**  
**Vacant Property Program**

The Sacramento Housing and Redevelopment Agency (SHRA) as part of its due diligence prior to accepting properties for the Vacant Property Program requires Preferred Builders to disclose their economic interests, if any, related to the foreclosed property prior to purchase of the foreclosed property. The Agency reserves the right to reject properties for inclusion in the Vacant Property Program which the preferred builder had an economic interest in the property that may have provided an incentive to pursue foreclosure proceedings.

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

\_\_\_\_\_  
(address, city and zip)

---

**1. Economic Interests.** Did you or your company have an economic interest related to the foreclosed property prior to purchase of the foreclosed property, including, but not limited to, the following interests:

- ownership of the property prior to foreclosure
- possession of a lien, deed of trust or other interest secured by the property
- a past role in construction of the dwelling on the property
- a mortgage counseling or other professional relationship related to real estate with the prior owner of the foreclosed property

Y     N

**2. Additional Information.** If the answer to Item 1 is yes, please describe the nature of the economic interest in detail.

---

## **APPENDIX 15 VPP WAITLIST PROCEDURES**

These procedures document the process SHRA will follow when funding VPP properties on the wait list.

1. Properties will be placed on the waiting list on a first come, first serve basis. The property submittal package must be complete in order to be placed on the waiting list. So, the first come isn't based on the first submittal of information, but on the date when the property submittal is complete.
  - a. Placement on the waiting list is not a guarantee that funds will be available to approve the property for the program. Approval of properties is subject to funding, which is limited.
2. The Agency will review properties in the order placed on the waiting list.
3. If the approval process for the scope of work and budget for the property doesn't make significant progress for execution of documents within 2-3 weeks of starting, then SHRA will proceed with the next property.
  - a. The property that is passed on, won't leave its "position" on the wait list, but may need to wait until the next time SHRA plans to approve properties for contract execution.
4. If the Builder isn't requesting a loan, the submitted property may get early approval to proceed with work. However, the payment of the purchase price for participation in the program (developer fee) may be delayed until the property's position on the waiting list is reached.

The intent of these procedures is to insure fair treatment to all Builders and yet also allow Builders not requesting a loan to proceed quickly.