

Homeowner's Guide to the City of Fountain Valley Home Improvement Program

This guide provides an outline of the various stages of the home improvement process as well as a summary of program requirements including the homeowner's responsibilities in implementing the program. Should additional information be required, please contact the Housing & Community Development (HCD) staff person assigned to your case.

How the Program Works

Step 1 - Inspection and Bid Process

Following approval of a homeowner's Home Improvement Program application, depending on funds available, HCD staff either contacts the homeowner immediately to begin the home improvement process or places the homeowner's file on a waiting list on a first-come first-serve basis. Upon removal of the homeowner's file from the waiting list, the following inspections will be needed and results summarized in a written report that is submitted to HCD staff:

1. **Building Inspection** – HCD staff will arrange for an inspection of the home by the City's Building Inspector. The Building Inspector will inspect the property to identify existing health and safety hazards such as code violations and illegal structural alterations.
2. **Municipal Code Inspection** – The Code Enforcement Officer will inspect the property and surrounding area to identify any Municipal Code violations such as yard maintenance; inoperable vehicles; any attractive nuisance problems that exist.
3. **Termite Inspection** – If the home has not had an inspection and full abatement of termites within the past two (2) years, the homeowner will be required to include a full termite inspection and abatement procedure as a part of their rehabilitation project. The City does not inspect for termite infestation.
4. **Gas Department Inspection** – Homeowner must contact the Gas Department to conduct an inspection to determine the condition of the Gas appliances and whether they need to be repaired or replaced.
5. **Lead Based Paint Hazard Inspection** – If the property was built before 1978, homeowner must contact a Lead Based Paint Testing Consultant to conduct a lead inspection of the property. The City will pay for this test. The consultant will complete the bid and return it to HCD staff.
6. **HCD Inspection** – HCD staff will inspect the home for needed non-structural repairs such as painting, floor coverings, etc. During this inspection, the HCD staff person will take before pictures of items to be included and will work with the homeowner to will compile a list of eligible items to be included in the Draft Scope of Work, along with any code violations identified by the City's Building Inspector or Code Enforcement Officer, and recommendations by Termite Company, Gas Company, and/or Lead Consultant.

Once the homeowner and HCD Staff have agreed on the contents of Scope of Work and finalized the Authorized Bid List, the homeowner may not change or upgrade any item without first receiving City approval.

Copies of the final Authorized Bid List containing all approved repairs ranked in order of priority (code violations, safety concerns, general repairs) are provided to the homeowner for use in obtaining bids. A minimum of three (3) bids are required. You will have **approximately three (3) weeks** from the receipt of the Authorized Bid List to obtain at least completed three bids from contractors.

Note: Any work started before issuance of a Notice to Proceed by HCD staff or not included on the final Authorized Bid List will not be included in the project or receive funding.

Step 2 - Choosing a Contractor

There are several resources a homeowner may use to identify general contractors. As a courtesy, the City provides a Contractor Courtesy List to assist homeowners in their search. Homeowners may receive personal references from friends, family, and associates. In addition, an internet search for "General Contractors near Fountain Valley," and even social media can lead to potential contractors. General Contractors that desire to bid on City of Fountain Valley Home Improvement Program projects must meet the following requirements:

- The contractor must be licensed by and in good standing with the California Contractor's State License Board as a General Contractor (Class B License);
- The contractor must have or obtain a City of Fountain Valley Business License.
- The contractor must have liability insurance coverage in the amount of one million (\$1,000,000) dollars.
- The contractor must furnish the worker's compensation insurance for all workers on the project or show evidence that any sub-contractor workforce hired by general contractor is covered for workers compensation insurance.
- The contractor's bid must be within 10% of the lowest bid;
- The contractor must complete and submit to HCD Staff if he/she has not already done so, a City of Fountain Valley Contractors Qualification Statement with all necessary license and insurance documents.
- The contractor must not be on the Federal Government's List of Debarred Contractors. □ The contractor must be willing to abide by the terms and conditions set forth in the City's Home Improvement Program Construction Contract.

Step 3 – Contractor References

It is recommended that the homeowner get at least three references for each contractor. When calling a contractor's references, ask questions such as:

- Did the contractor keep to an agreed upon schedule?
- Were you pleased with the quality of the contractor's work and the manner in which it was completed?
- Did the contractor willingly make any necessary corrections?
- Would you hire this contractor again?

Step 4 - Obtaining Bids

Homeowners have **three (3) weeks** to receive a minimum of **three (3)** responsive bids. If bids are incomplete (unresponsive) or three bids are NOT received by the deadline, the deadline may be extended to allow adequate time for responsive bids. Contractors must submit all bids in a sealed envelope marked "**Sealed Bid – {Homeowner Name}**" to HCD staff per the instructions on the Authorized Bid List. Shortly after the bid deadline, HCD staff and the homeowner will meet to review the bids, determine the final scope of work and select a contractor. Once the successful bidder has been chosen, HCD staff will prepare all documents necessary to begin the home improvement project.

Step 5 - Pre-Construction Conference

Upon selection of a qualified contractor, the homeowner, contractor and HCD staff will meet to assist in executing all documents pertaining to the project. These may include grant/rebate/loan agreements, loan documents (e.g. Deed of Trust, Promissory Note, etc.), and all construction documents (e.g. Construction Agreement) that govern the contractor's obligations. The Notice to Proceed will be issued.

Step 6 - Monitoring the Construction Process

During the home improvement process, the homeowner is advised to keep a job file of all documents related to the project. These should include the following:

- All project documents (e.g. Qualified Bid, Construction Agreement, Grant/Rebate/ Loan Agreements, etc.).
- A journal of the construction process recording events on a daily basis. In the event of a homeowner/contractor dispute, a journal can be a very helpful tool; □ All correspondence between the homeowner and the contractor; and
- Photos of any disputable items.

In the event of a dispute between the homeowner and contractor, either one or both parties shall submit in writing the nature of the dispute along with all pertinent facts to HCD staff. If the parties cannot resolve the dispute, they will be directed to seek resolution pursuant to binding arbitration in accordance with the provisions of the Home Improvement Agreement.

Step 7 – Contractor Payment

During the construction process, it is recommended for homeowners to periodically call HCD staff to give updates on the status of construction, to ensure that all work is being completed in a timely and satisfactory manner. The City acts as the disbursement source for all funds related to the project. As construction progresses, the contractor may request partial payments to cover previously incurred expenses. Partial and/or final payments will only be made **after** each of the following conditions have been satisfied:

- Where required, the State Mobile Home Inspector has inspected, and approved the work, and finalized any permits issued by the State.
- HCD staff has taken pictures of the work completed.
- The homeowner is pleased with the quality of the work and authorizes partial/full payment by signing an Interim/Final Inspection Form.
- Lien Releases have been received for any and all materials or labor supplied to date.

Step 8 – Homeowner Rebate Reimbursement Payment

If the Homeowner has utilized the rebate program, the homeowner obtains a Cashier's Check made out to Contractor, for the total amount the homeowner is responsible to pay. The Cashier's check is brought into the City to verify funds. Reimbursement check is paid to the homeowner after the Cashier's Check has been disbursed to the Contractor.