



City of Berkeley RETROFIT GRANTS Reimbursement Guidelines



Guidelines

Please review these Reimbursement Guidelines prior to submitting a Reimbursement Request for a Retrofit Grant. These Guidelines apply only to buildings which are eligible for the City of Berkeley's Retrofit Grants program for Seismically Vulnerable Buildings, which is funded by the Federal Emergency Management Agency (FEMA) and the California Governor's Office of Emergency Services (Cal OES).

Eligibility

Grant funding is limited to seismic retrofits of the following types of buildings:

- **Soft Story** buildings with 5 or more residential units subject to mandatory retrofit
- **Soft Story** buildings with 5 or more residential units and/or commercial spaces not subject to mandatory retrofit or hotels/motels with 5 or more rooms
- **Unreinforced Masonry** buildings subject to mandatory retrofit

A second round of funding for seismic retrofits of Tilt-up and Non-Ductile Concrete buildings will be available at a later date. Grants are not available for Single Family Homes or Duplexes.

Retrofit Grant Applications

The Retrofit Grants application deadline is April 20, 2017. Owners of qualifying buildings may choose to apply for either or both a Design Grant and Construction Grant. Design Grants and Construction Grants will be paid as reimbursements to approved grant applicants for qualifying design fees and/or construction costs associated with seismic retrofits.

All legal owners must sign the grant application form. For buildings with more than two owners, an additional application sheet may be attached with all necessary signatures. For properties owned by a business entity or a trust, a signature from an appointed representative or trustee is required. The City of Berkeley may require verification that the signatory has the "power" to sign on behalf of the entity or trust.

Selection of Engineers & Contractors

It is the sole responsibility of the property owner to select contractors and design professionals who hold a valid and current license to practice in the state of California. Costs incurred for services performed without a valid and current license cannot be reimbursed under the Retrofit Grants program. To verify your contractor's license, visit <http://www.cslb.ca.gov>. To verify your engineer's license, visit <http://www.bpelsq.ca.gov/>. **Retrofit Grants funding cannot be used to reimburse owners for expenses paid in cash or for construction completed by owner-builders.**

Cal OES requires that applicants for Retrofit Grants funding seek **multiple bids** from design professionals and contractors, in order to be eligible for reimbursement under this program. In compliance with this requirement, the City of Berkeley requests that applicants provide documentation of their efforts to obtain multiple bids, and submit this documentation to the

City prior to reimbursement. Early submittal of this documentation is encouraged to ensure that the City of Berkeley has received all necessary details for each Retrofit Grants project.

Please use the following guidelines to document your efforts to obtain multiple bids.

- For each company contacted, please provide the following:
 - Name of company
 - Date contacted (Approximate date if exact date is unknown)
 - How you contacted them (phone, email, etc.)
 - Name of person contacted
 - Company's response (Was a bid received?)

Bids from Engineers:

- Design Grant applicants are encouraged to obtain three (3) bids. Please provide copies of all bids and a copy of your contract with your selected design professional(s). Applicants who hired an engineer prior to the announcement of the grant program, and without seeking multiple bids, may maintain eligibility for Design Grant funding by providing additional documentation of their selection process.
- If fewer than three companies were contacted, or if the lowest bidder was not selected, please provide an explanation for the decision to select a particular design professional. For example, an explanation may include:
 - The selected design professional has worked on multiple previous projects for you
 - The selected design professional was referred by a trusted source

Bids from Contractors:

- Construction Grant applicants must try to obtain at least three (3) bids and provide copies of all bids and a copy of the contract with the selected contractor. To receive a Construction Grant, at least two bids from licensed contractors must be provided along with documentation of at least one other attempt to obtain a bid. If the lowest bidder is not selected, provide an explanation in your documentation.

Design Grant Reimbursement

Design Grants for up to \$5,000 are available for engineering and architecture fees for retrofit design incurred **after September 22, 2015**. Design fees incurred prior to this date are not eligible for grant funding. Grant requests may not exceed actual design expenditures related to the seismic retrofit of the building.

Once approved for funding, applicants **must obtain a building permit and submit for reimbursement within one year to be guaranteed Design Grant funding**. Building owners who do not meet this deadline will receive funding on a first-come first-serve basis. Grant funding may become unavailable if building owners delay completion of design or obtaining a permit.

A **Reimbursement Request** may be submitted for design costs after an applicant has been approved for funding and has obtained a building permit for their retrofit. The City of Berkeley requires copies of invoices from licensed design professionals for all design expenses, as well

as copies of cancelled checks documenting payment of design fees, in order to process grant reimbursements.

Construction Grant Reimbursement

Owners who apply for a Design Grant may receive a Construction Grant of up to 30% of retrofit costs. Those who do not apply for a Design Grant, or who incurred the majority of their retrofit design costs prior to 9/22/2015, may receive a Construction Grant of up to 40% of construction costs. ***Owners may receive a maximum combined total of \$25,000 between Design and Construction Grants.***

To receive Construction Grant funding, applicants must wait for notification of FEMA approval for grant funding before beginning construction on their retrofits. The City of Berkeley expects to notify applicants of FEMA's approval of grant funding by November 1, 2017.

Once approved for funding, applicants ***must complete their retrofit construction within six months of FEMA approval to be guaranteed grant funding.*** Building owners who do not complete construction within six months of approval will receive funding on a first-come first-serve basis. Grant funding may become unavailable if building owners delay completion of a FEMA-approved retrofit project.

A **Reimbursement Request** for a Construction Grant may be submitted after the applicant has obtained an approved final inspection and submitted the engineer's letter of structural observation and the final affidavit from the special inspections agency to the building inspector. Construction Grants may be used for contractor labor and materials, special inspections and engineering costs for structural observation. Grants may not be used for permit fees. Prevailing wage must be paid to workers on retrofit construction projects. The City of Berkeley requires copies of invoices from licensed contractors for all construction costs, as well as copies of cancelled checks documenting payment to contractors, in order to process grant reimbursements.

Permit Valuation

Construction Grant reimbursements are calculated based on the total amount paid for retrofit construction up to the stated project valuation on the building permit. If construction costs exceed the stated valuation on the permit, owners who wish to obtain a grant based on the higher amount must submit a permit revision with the updated valuation and pay additional permit fees prior to their final inspection. The project valuation on the building permit cannot be revised after the final inspection occurs and the permit has been closed. Permitting fees are not eligible for grant funding.

Owners may request a larger grant amount on the Reimbursement Request than the amount estimated in their application. If funds are available and the owner has revised the permit valuation to reflect the higher valuation, these requests can be considered. Total grant funding per project will not exceed \$25,000.

Program Documents & Updates

Visit www.cityofberkeley.info/retrofitgrants for complete guidelines and **Retrofit Grants** program updates. All program updates will become effective upon being posted online.