



Housing Rehabilitation Program Process

The Housing Rehabilitation Program provides resources to rehabilitate single-family, owner-occupied housing units. Homeowners must meet income guidelines for these resources. Those who are disabled or non-English speaking and who need assistance through this process will receive accommodation from the Hilltown Community Development Corporation.

Steps in the housing rehabilitation process are as follows:

1. The homeowner or other interested party makes an inquiry to the Hilltown Community Development Corporation (Hilltown CDC) about the Housing Rehabilitation Program. Initial contact can be made by a phone call to the Housing Rehab Program Manager, Marjorie Liscombe at (413) 296-4536 x 109, by letter, by email to marjoriel@hilltowncdc.org or by other contact with Hilltown CDC staff.
2. A homeowner interested in using the Hilltown CDC Housing Rehabilitation Program fills out a Waitlist Application. Anyone can request information about the Program, but only the property owner(s) can officially apply and sign the application. All owners of the property must sign the application and other relevant paperwork. All deeded owners are considered to be an applicant even in a divorce situation where there are still two legal owners of the property. There must be a written agreement from all owners in order to proceed with the application for rehabilitation. The Waitlist Application asks for specific information about the occupants of the household, however, information that is voluntary is noted in the application.
3. The Waitlist Application also asks for information regarding the requested rehabilitation needed. Repairs must meet certain building, health, and safety code violations, and the repair costs must exceed a minimum of \$10,000 to be eligible for the program. The program is designed to rehab existing *owner-occupied, single-family* structures, but an additional room can be added in rare instances where the homeowner can demonstrate an overcrowded situation. Weatherization and energy efficiency upgrades are eligible under the program. *Applicants should make a special note on their application if they have an emergency situation such as: a failed septic system, contaminated well, leaking roof, lead paint, or serious plumbing, electrical, or structural problems.*
4. Once a Waitlist Application is received, it is scored and placed on the waiting list. Placement on the waiting list is determined by using the following criteria: income level, elder head of household, high housing costs, disabled, handicap accessible work, well work, and septic work. Waitlist Applications with a higher score are placed at the top of the waiting list, and Waitlist

Applications with the same score are ranked in the order of the date received. Emergency situations will be evaluated based on severity and prioritized accordingly.

5. When the Waitlist Application reaches the top of the waiting list, an eligibility review will be conducted. At that time, the Housing Rehabilitation Program Manager will provide the Homeowner with a Supplement Package to the original Waitlist Application and will request necessary documentation from the homeowner in support of the Supplement Package. The homeowner will have to demonstrate one-year ownership of the property as well as verify their income to determine eligibility for the program. Income eligibility is determined by projecting earnings for the year ahead, however, this determination is reached by looking at the past year's income for the household. A household consists of every person residing in the property including children.
6. The Housing Rehabilitation Program Manager screens all documentation, verifies gross income for all household members over the age of 18, (except students), and makes an official determination that the household meets or does not meet United States Department of Housing and Urban Development Section 8 Low to Moderate Income Household guidelines. Also, in order to be eligible for the program, property taxes must be current or on a satisfactory payment plan as outlined by the town, and the homeowner must be current with their mortgage or on a satisfactory payment plan with their lender. Additionally, the homeowner must have sufficient equity in the home to cover the cost of the repairs to the home, the home must be insured for fire damage, and must need correction of housing code violations.
7. When a household has been determined to be income eligible and meets all of the other criteria, the Housing Rehabilitation Program Manager and the Housing Rehabilitation Specialist conduct a detailed inspection of the house with the property owners. The Rehabilitation Specialist makes a list of all housing code violations according to federal, state, and local laws. The property owner may point out other problems and issues at this time. The Housing Rehabilitation Specialist writes an initial inspection with an overview of the code violations that need to be rectified. The average rehabilitation project is approximately \$25,000, and the amount of funding available per project is determined based upon the repair needs in conjunction with available funding. At no time can the entire project costs exceed \$35,000 (if nonlead) and \$40,000 (if lead). If the project costs exceed the limit, the homeowner may choose to pay the additional costs, borrow funds from a lender, and/or leverage additional funding through complementary programs such as the Get the Lead Out Program or Community Action's Heating and Weatherization Program.
8. Funding through the Housing Rehabilitation Program is provided through a 100% Deferred Payment Loan (DPL). This is a non-interest-bearing loan with no monthly payments, and the loan is forgiven over a 15-year period. Repayment of the remaining debt is only required if the property is sold or transferred before the 15-year period expires.

9. Certain environmental concerns are documented and addressed by the Hilltown CDC such as wetlands, the location of a house in a floodplain, a historic property, etc. These considerations may influence the final scope of rehabilitation work.
10. The Rehabilitation Specialist writes a detailed set of work specifications outlining all the code violations and the corrections needed, the type of materials to be used, and the methods to complete the work. The cost of items to be installed and the labor are estimated along with the time frame needed to complete the work. The detailed specifications are reviewed with the homeowner, and the homeowner's approval of the final specifications is required before proceeding.
11. After approval of the work specifications, a set time will be determined in consultation with the property owner for a contractor site inspection by interested contractors. In rare instances, contractors who cannot attend the scheduled site visit will be given the opportunity to arrange a separate site inspection prior to the bid due date, if it is convenient for the homeowner. The site inspection is led by the Rehabilitation Specialist for interested contractors. The Housing Rehabilitation Program Manager and the homeowner(s) also participate in the site inspection.
12. A bid notice is sent to all contractors on the Hilltown CDC bidding list. Any contractor may join the list, but s/he must provide copies of current licenses, insurance, references, etc., in order to be eligible to bid. The Housing Rehabilitation Program accepts bids directly from general contractors, lead abatement contractors, asbestos removal contractors, septic system installers, and well drillers. If the specifications include sub-trades such as plumbing, electrical, or heating, the general contractor will obtain bids for these sub-trades and will include them in his/her bid on the project. The bid notice will include work specifications or state how the work specifications can be obtained, the date and time of the inspection, when and where the bids are due, and who to contact with any questions.
13. Contractors must submit bids to the Hilltown CDC by the given date and time. The bids include detailed line-item prices, an estimated start date, and an estimated completion date. A comparison is made between the bids submitted and the cost estimate provided by the Rehabilitation Specialist. Low bidders for each trade (general contractor, lead abatement contractor, asbestos removal contractor, etc.) are identified. Low bidders are rejected only if the bid is incomplete or unreasonably low (an assessment made by the Program Manager and the Rehabilitation Specialist after consulting with the contractor). The Housing Rehab Program will only pay for the lowest qualified bidder. The homeowner may choose any of the contractors, but if a higher bidder is selected, the homeowner must pay the difference between that price and the price of the lowest qualified bidder. If a homeowner is contributing funds to a project, this money must be paid on the day of the contract signing.
14. Once the homeowner has selected the contractor(s) for the job, the Hilltown CDC will send award or denial letters to all contractors who bid on the project.
15. After the award, a pre-construction conference/contract signing is scheduled. The homeowner, the Housing Rehabilitation Program Manager, the Housing Rehabilitation Specialist, and all

relevant contractors attend. At this time, the homeowner signs an agreement with the Town (Hilltown CDC is the administering agent) to complete the work in accordance with the final specifications. The homeowner also signs a mortgage and promissory note with the Town to secure the amount of the loan, then the mortgage is filed at the Registry of Deeds. The homeowner enters into a contract with each contractor as well. The agreement(s) detail the scope of work to be performed, cost, and timeline. The meeting provides an opportunity for all parties to review the scope of the rehabilitation work and for contractors to plan the coordination of the respective parts of the project. All parties receive signed copies of each contract. Both homeowner and contractor sign, and as part of their contracts, that they agree to use arbitration to settle any major dispute that may arise.

16. If the scope of work includes de-leading, a relocation process is discussed with the homeowner. If lead paint removal can be scheduled during vacations, the premises would be vacant. However, if removal is during the time when the home would be occupied, the Program can pay temporary relocation costs, but this expense will be added to the total amount of the Deferred Payment Loan made to the homeowner.
17. A Notice to Proceed is given to the contractor(s) three business days after the mortgage is signed. Within those three days, the owner has the right to cancel the mortgage agreement. The contractor(s) is expected to begin work within the time stated on his/her bid and notify the owner and the Hilltown CDC of the specific starting date as soon as possible. The contractor is also expected to finish work within the time specified in the contract.
18. The homeowner is given a sign-off card to display while work is being done on the property. When each local inspector comes to inspect the work, s/he signs off on the card. This card is filed in the payment folder in the homeowner's file at the end of the project showing that the Town inspectors and the Rehabilitation Specialist have inspected all work.
19. All changes to the specifications must be agreed to by the homeowner, the contractor, and the Hilltown CDC. Changes will only be allowed for unforeseen circumstances and must be agreed to in writing by all parties before the additional work proceeds. All changes which affect the cost of the project will be added onto the Promissory Note amount as an addendum.
20. As work proceeds, it is regularly inspected by the owner, the Rehabilitation Specialist, and Town inspectors. If the property owner feels that there is any problem with the work being done, it should be discussed with the contractor, the Rehabilitation Specialist, and if necessary, the Hilltown CDC. Every effort is made to resolve all issues quickly and amicably for all parties.
21. When the contractor submits a bill for payment to the Hilltown CDC, the contractor must clearly indicate the work items completed and their respective costs. Before the Housing Rehabilitation Program Manager authorizes payment, the Housing Rehabilitation Specialist inspects the work to ensure that the work is satisfactorily completed and meets with the homeowner's approval. The Rehabilitation Specialist and the owner sign the payment form authorizing the payment if everything is satisfactory.

22. *The homeowner should not sign off on any payment unless satisfied with the work performed.*
In cases where the owner is dissatisfied with the contractor's work, the Housing Rehabilitation Program will meet with one or both parties to attempt to resolve the issue(s). However, the Housing Rehabilitation Program Manager reserves the right to release funds from the Program to pay the contractor(s) if s/he feels that the work in question has been completed in accordance with the accepted specifications. Before doing so, the Program Manager will send written explanation of their actions to the owner. A 5% retainer will be held from each payment until 30 days after the final payment.
23. The Housing Rehabilitation Program Manager makes final contact with the homeowner 30 days after completion to check that all work is acceptable and meets the contract requirements. If there are no problems, the 5% retainer check will be processed and released.
24. When all activity is finished, the Hilltown CDC will mail the homeowner a Final Promissory Note which states the final costs of the project. This amount will reflect the actual amount which could be recaptured on a per annum basis by the town. This document should be kept in the homeowner's files as the homeowner's record of the actual amount of the mortgage. This obligation will be subordinated to other financing in favor of the original owner provided that the obligation owed to the Town is secure, i.e., the amount of the obligation owed to the Town and senior financing is together not more than 100 percent of the value of the property as shown by a recent appraisal acceptable to the Town.
25. The Housing Rehabilitation Program Manager reviews the case file for completeness and officially closes the file.
26. The workmanship and materials used in construction are warranted for one year from the date of the release of the retainer. If an issue arises in the future with either the work performed or the materials installed, the homeowner should call the contractor first. If the contractor doesn't respond, the homeowner should contact the Hilltown CDC for assistance in reaching the contractor.

If you have any questions, please contact:
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