



HOUSING REHABILITATION 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 visit to the Hilltown CDC office (located at 387 Main Road, Chesterfield), by a phone call (413.296.4536 x 17), by letter, or by other contact with Hilltown CDC staff.
2. A homeowner interested in using the Hilltown CDC Housing Rehabilitation Program fills out an application. While anyone can get information about the Program, only the property owner(s) can officially apply and sign the application. All owners must sign the application and other relevant paperwork. Every application is given a number, which is used throughout the entire project. The application asks for information about the occupants of the house to be rehabilitated. Information that is voluntary is noted on the application.

Information is also obtained regarding specific housing repair problems, so that it is known what types of repairs the owner requests. There must be major problems that need attention, although minor or cosmetic repairs may sometimes coincide with major repairs. Additions to a house are only provided in rare instances in which the homeowner can demonstrate an overcrowded situation. Weatherization is eligible. Applicants should 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.

The homeowner submits various documents including: a copy of the Certification of Title showing that they are the owners of the property*, a Waiver of Confidentiality so that the details of rehabilitation can be discussed with third parties, and a signed Income Verification form and proof of income (a completed Employer Verification Form, a copy of a social security check, a copy of previous years' IRS certified tax return, etc.). Income eligibility is determined by projecting earnings in the year ahead. However, this determination is reached

by looking at the past year's income for the household. A household is everyone living in the house, including children; a household is not the same as a family.

*All owners are considered the applicant, even in a divorce situation where there are still two official owners of the property. There must be a written agreement from all owners for the rehabilitation.

3. 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. Other eligibility requirements include: the housing unit must be located in the target area, and property taxes must be current or on a satisfactory payment plan as outlined by the Town. Additionally, the homeowner generally 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 the housing unit must need correction of State Sanitary Code violations.
4. Placement on the Waiting List is determined by need, using the following criteria: income level, elder head of household, high housing costs (over 35 percent of gross income), or need for repairs to accommodate disability. Based on these criteria, which must also be documented, an application receives a score. Applications receiving a higher score are higher on the waiting list. Applications with the same score are ranked in order of the date the application was received. Emergency situations will be prioritized according to severity.
5. When a house reaches the top of the Waiting List, 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 stage a preliminary estimate of feasibility occurs by comparing the cost of repairs to the Housing Rehabilitation Program limits. The maximum amount of funds which can be provided by the program is up to \$25,000 per housing unit for general rehabilitation projects and up to \$30,000 if lead paint hazard reduction, asbestos removal, handicapped accessibility, or well or septic repairs are involved. If the cost of rehabilitation work does not exceed program limits, the project can proceed. If the cost is over the limit, the homeowners who have the ability to pay for or borrow funds may be able to provide additional funds needed to complete the necessary repairs, and/or leverage additional funding through complementary programs such as the Get the Lead Out Program or Community Action's Heating and Weatherization Program.

A 100 percent Deferred Payment Loan (DPL) up to the Housing Rehabilitation Program limits will be utilized. This is a non-interest-bearing loan with no monthly payments, which 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.

6. 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.
7. The Rehabilitation Specialist writes a detailed set of work specifications, stating all the code violations and the corrections to be made, the type of materials to be used, and the methods to complete the work. The cost of each item and a total cost of repairs are estimated, as well as how long it should take to complete the work. The detailed specifications are reviewed with the homeowner, and the homeowner's approval of the final specifications is required for the process to proceed.
8. After approval of the work specifications, a set time will be determined in consultation with the property owner for a 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.
9. 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. A contractor will be removed from the list for poor performance. 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 whom to contact with any questions.
10. Contractors submit bids to the Hilltown CDC office by the given date and hour. 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 Rehabilitation Specialist after consulting with the contractor). The 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.
11. 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.
12. 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 for whom the 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, which are used to secure the amount of the loan. The mortgage is filed at the Registry of Deeds. The homeowner enters into contracts with each contractor, which 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, as part of their contracts, that they agree to use arbitration to settle any major dispute that may arise.

13. 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 unit 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.
14. 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 finished work within the time specified in the contract.

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.

15. 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.
16. 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. All problems are resolved as quickly as possible.
17. When the contractor submits a bill for payment to the Hilltown CDC, the contractor must clearly indicate what work items are complete, and their respective costs. Before the Housing Rehabilitation Program Manager authorizes payment, the Housing Rehabilitation Specialist inspects the work to ensure that the work being billed for is complete and is of satisfactory quality. Both the Rehabilitation Specialist and the owner sign a payment form indicating their approval of the payment. Checks are made out jointly to the homeowner and the contractor and where possible will accompany the payment form. Otherwise, the homeowner will need

to come to the Hilltown CDC office to endorse the back of each check. It is expected that the homeowner will make every effort to come to the office within 48 hours of being notified. From each payment request, a five percent retainer is held until 30 days after the final inspection. The homeowner should not sign off on any payment unless satisfied with the work performed.

18. The Housing Rehabilitation staff 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 five percent retainer check is processed and released. The homeowner also signs this check, and it is disbursed to the contractor.
19. 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.

The Housing Rehabilitation Program Manager reviews the case file for completeness and officially closes the active phase of the file.

20. In general, most work items are covered by warranty for at least one year. If there are problems or defects in the work that arise in the future, the homeowner should first call the contractor responsible for the work, and if the contractor is unresponsive, the homeowner should contact the Hilltown CDC.