MUNICIPAL HOUSING REHABILITATION PROGRAM HANDBOOK

For further information or inquiries please write or call your municipality's Small Cities Consultants:

Lisa Low & Associates
293 Riggs Street
Oxford, CT 06478
203-888-5624; lisalowassociates@comcast.net

Your municipality offers a Housing Rehabilitation Program on a first come, first served basis to qualified low- and moderate-income residents. Funds for this program come in the form of 0% interest loans from the Department of Housing and Urban Development (HUD). Loans are administered through the State of Connecticut's Department of Community and Economic Development (DECD); the municipality, and the municipality's Small Cities Consultant. Homeowners qualify if they are within HUD income limits (see application), have a minimum of 10% equity in the property, and all municipal taxes are current. The focus of the program is on code compliance and safety concerns rather than higher end home remodeling.

Homeowners/landlords who believe they may qualify for assistance are encouraged to apply to the program by filling out the application form and submitting the required documents, including the most recent, signed Federal tax return of the tenants/homeowners and six pay stubs documenting six consecutive weeks of wages of all working household members, including tenants (as separate household) aged 18 or over. (Please note: Absentee landlords are required to pay at least 50% of project costs up front; other conditions may apply.) Loans are secured with a mortgage deed, promissory note, and memorandum of agreement. Program participants are not required to pay back the loan until transfer of title to home. Costs applied to the loan may include: original contract price; change orders; lead testing; title search, but there is no out-of-pocket cost to the homeowner (except in the case of absentee landlords or non-income qualifying tenants) and municipal Town Clerk filing fee (if applicable).

Please note the following: the mission of the housing rehab program is two-fold: to serve as many candidates as we can with limited resources and to focus on health and safety improvements (not high end remodels) to the homes of low and moderate income residents. To fulfill our mission we require homeowner cooperation.

The purpose of this handbook is to provide program objectives and standards, typical deficiencies, ineligible improvements and technical procedures in the Rehabilitation Process. This handbook will be used by the municipality, owner, consultant and contractor in administering and servicing the rehabilitation assistance program.

Program Objectives:

- To prevent hazardous health conditions and code violations
- To prevent blighting influences and deterioration of property and neighborhoods
- To improve the quality of the municipality's housing stock for low-moderate income persons
- To provide financial assistance to low-moderate income property owners for housing rehabilitation activities
- To provide financial assistance to low-moderate income property owners for the purpose of septic repair or replacement, sewer and water hookups
- To stimulate public and private investment within the target area neighborhood

Program Standards:

- The program will meet the minimum standards set forth by the **HUD Section 8-HQS**, **IPMC** International Property Maintenance Code and the **IEBC** International Existing Building Code
- If funds are available, the program will review the HUD universal design standard and meet the further needs of owners or occupants

Typical Deficiencies:

- Lead Based Paint Hazards
- Smoke, Carbon Monoxide & Heat Detectors
- GFCI Ground Fault Circuit Interrupter devices
- Electrical Hazards, loose or faulty wiring, open or missing junction boxes
- Lighting Fixtures that are non-compliant, broken, or have poor efficiency
- Fuse or Circuit Breaker Panel, including Service and Grounding
- Plumbing Leaks: gas, water or waste
- Plumbing Fixtures: faucets, sinks, shower/tub & controls, toilets
- Heating System: boilers, furnaces and conversions, to include components
- Ventilation: kitchen, bath, roof and attic, crawlspace
- Septic Systems, Sewer Connections
- Exterior Property Maintenance; overgrowth, excess material, household debris
- ADA/504 Compliance or Upgrades
- Stairs; Interior Guard and Graspable Railings, and the following modifications as needed for health, safety, and affordability:
- Roofing and Gutters
- Windows and Doors
- Deck and Porch Repair
- Siding and Façade Repair
- Exterior Painting
- Driveway and Drainage
- Tree pruning or Removal

Ineligible Improvements:

- Portable Items: furniture, garden or home improvement tools, wall hangings, area carpets, draperies, or shades
- Appliances: stoves, refrigerators or freezers, washing machines and dryers etc.
- Swimming pools: any repair, modification or removal
- Excessive landscaping: extensive shrubbery, sod, trees, garden materials, fixtures,

equipment or landscaping of a type or quality which exceeds that customarily used in the locality for properties of the same general type as the property to be rehabilitated

- Ceramic tile, excluding shower or bathing units
- Counter tops, excluding plastic laminate
- Remodeling, including bathrooms, kitchens and living spaces that currently meet Section 8 HUD HQS

Steps through Rehab

1. **Application-** Property owners within the Program Target Area complete the application form. Applications will be available for download at the Housing Rehabilitation Program tab on the applicant's municipal website. At time of submission, applications are time and date stamped for first come, first served processing. Only completed applications--including requested financial documentation--will be considered. Homeowners deemed eligible can expect to pay for title search (usually $150) and lead inspection and clearance testing costs (usually approximately $500), if applicable, as part of final rehabilitation loan. If a change order occurs during the course of a project the homeowner will be required to sign a modification agreement to the original loan. Again, this cost will be attached to the rehabilitation loan and will not be an out-of-pocket cost to the homeowner. Following review, a letter declaring eligibility or ineligibility will be sent to each applicant. The letter will designate an application number and place on the waiting list.

2. **Initial Home Inspection-** Rehabilitation Specialist will schedule and then visit the property to be rehabilitated with the Owner in order to further determine if the property and dwelling is a candidate for the program. The specialist will explain the inspection and address any concerns that the Owner may have. If the project is deemed feasible, the specialist will document all deficient items in a detailed inspection report. The inspection typically takes 2 hours for a single family dwelling.

3. **Lead Based Paint Inspection-** If the dwelling was constructed prior to 1978, a Lead Based Paint inspection and Risk Assessment will be conducted by the Environmental Consultant once the Rehab Specialist determines that the dwelling and property is a candidate for the program. If applicable, the specialist will also present to the Owner the Lead Safe Guide for Rehabilitation that details compliance with the Federal pre-renovation education and renovation, repair, and painting regulations. Typically within one week of the Initial Home Inspection, the Environmental Consultant will contact the Owner and arrange a time and date for the inspection. The inspection typically takes 4 hours to conduct for a single family dwelling. Depending on the occupants in the home and the amount of lead paint found, an additional Abatement and Management plan may be required.

4. **Rehabilitation Cost Estimate-** After the initial home inspection and Lead Based paint Inspection and Risk Assessment (if Applicable) has been made, the Rehab Specialist will provide the owner a prioritized list of deficient items including a cost estimate for each and a scope of work for review and acceptance. The cost estimate is not the actual price that the work will cost, but rather an estimate to assist in bidding. Landlord investor or applicant financing (if applicable) must be secured and placed in an escrow account prior to this step in the Rehab Process.

5. **Project Manual and Specifications**- After the Owner approves of the cost estimate and the scope of work, The Rehab Specialist will prepare the project manual which includes the invitation to bid, general conditions, scope of work, bid proposal, cost estimate, and performance specifications.

6. **Bidding**- The bidding process will begin with the Rehab Specialist coordinating with the Owner a time and date for the mandatory Pre-Bid Site Walk. The Rehab Specialist will send the Project Manual to a pre-qualified contractor pool via email announcing the time and date, typically 5-7 business days from date of notice. Interested contractors will attend the mandatory site walk and make them familiar with the project. Bids are typically submitted 5-7 business days after the site walk. All bids will be publically opened and recorded at the municipality. Bids will be reviewed by the Rehab Specialist typically that day or the next. The owner and the contractors who submitted a bid will be notified by email the awarded lowest responsible bidder. All projects regardless of size must be put out to bid and awarded to the lowest responsible bidder.

7. **Contract and Mortgage Signing**- The consultant will draft the contract and mortgage documents as well as coordinate the time and date that all parties will meet at the municipality. At this time the consultant will request from both the owner and the contractor necessary insurance and documentation required for execution of the contract. The contract is between the Owner and the Contractor and the consultant acts as witness. The contract holds both parties to the stipulations of the project manual. The consultant monitors the execution of the Terms of the Contract. The mortgage is between the municipality and the owner and holds the owner to the terms of the loan.

8. **Notice to Proceed**- After the contract signing, the owner has a 3-day right of rescission. After the 3 days have passed and the owner has sent to the consultant their request that the contractor is to proceed, the Rehab Specialist will send the Notice to Proceed to the contractor. The notice requires the contractor to begin construction within 15 days and specifies the date of substantial completion required. Duration of projects vary, but generally are 30 days. During this 15 day period the contractor typically meets with the owner and reviews final color choices and measures for materials to be ordered. The contractor also obtains all permits and schedules the subcontractors and vendors.

9. **Construction Monitoring and Inspections**- After the contractor has started the project and has completed 30-50% of the work, a request for payment may be submitted for the partially completed work. The Rehab Specialist will visit the project and verify that all work billed has been performed. Only after these inspections will funds be approved for release. The payment is mailed to the Contractor When all work is complete, a final inspection will be made by the Rehab Specialist, the local Building Officials, and Environmental Consultant (if applicable). When all inspections have been made and the work has been approved, the Contractor is required to have the Owner sign and approve the Certificate of Completion before any application for final payment may be submitted. The Contractor is also required to submit along with final application for payment the Certificate of Completion, Building Official Approval, Lien Waivers and final material submissions prior to release of funds. This step will complete the Rehabilitation Project.

Please consult the municipality's small cities consultant with further questions about the program: Lisa Low & Associates, 293 Riggs Street, Oxford, CT 06478 (203) 888-5624

Town of Lisbon
Housing Rehabilitation Program Application

Notice to Applicants: **PLEASE PRINT ALL INFORMATION CLEARLY**
This Application is Strictly Confidential

Do Not Write in This Section:	***Application No:*** ____________	***Initials:*** ___________
Date Received: _________________	***Time:*** __________	***Date Approved:*** ____________

Name of Applicant(s): ____

Address: ____

City, State, Zip: ____

Phone (home): ___________________________________

Phone (work): ___________________________________

Phone (cell):_____________________________________

Email: ____

Social Security Number of Applicant: ____________________________________

Is your property owner occupied? YES ______ NO ______

Property Location: ____

Is your property single ___________ or multifamily __________?

If multifamily, how many units? _______________________

Briefly describe the work needing to be done:

____

____

____

____

____

____

____

____

Identify **all** members of the household under review (including yourself)
(for mulit-family homes, please copy this page and complete a separate sheet per apt./unit)

***Note: Annual Income declared below must include gross income as listed on your most recent tax return (1040) in addition to any benefits and/or compensation (ie: social security, unemployment, pension, child support, alimony, etc.)*

Address____ Apartment / Unit # ____________________

Name	Age	Race/Ethnicity	Handicapped?	**Annual Income

Financial documentation is required of ALL household members. Please attach copies of the following for each member of the household:

1. Most recent tax return (Form 1040)
2. Pay stubs documenting a minimum of **6 consecutive weeks of wages**
3. Social security benefit statement entitled **"Your New Benefit Amount"**
4. Pension, unemployment compensation, child support, alimony or any other benefit statement

Please estimate total of all mortgage debt still owed on this property: $____________________

1. Please attach copy of field card/assessment (from assessor's office)

Are you up to date on all your municipal taxes (including sewers)? YES ______ NO ______

1. Please attach copy of tax currency printout (from tax collector's office)

Is anyone in the household an employee of the municipality? YES ______ NO ______

I authorize the program to obtain required information regarding statements made in this application and certify that all statements and documents submitted are true and complete to the best of my knowledge:

Print Name: ____

Sign Name: ____

Date: ____

The Program is administered by Lisa Low & Associates

Please return the completed form with the required documentation to:

Town Clerk's Office, Lisbon Town Hall, 1 Newent Road, Lisbon, CT 06351
(860) 376-2708

KEEP FOR YOUR RECORDS

Checklist

Please verify before returning that you have completed/included all required documents. Only completed applications will be dated and time stamped.

- ☐ Completed Application Form
- ☐ Last year's tax returns for all members of household 18 or over
- ☐ Last three check stubs for all household residents 18 or over
- ☐ Documentation of all other income (pensions, social security, disability, child support, etc.)

HUD USER

FY 2015 Income Limits Summary

FY 2015 Income Limit Area	Median Income	FY 2015 Income Limit Category	Persons in Family 1	2	3	4	5	6	7	8
Lisbon Town	$87,100	Very Low (50%) Income Limits ($)	30,500	34,850	39,200	**43,550**	47,050	50,550	54,050	57,500
		Extremely Low (30%) Income Limits ($)	18,350	20,950	23,550	**26,150**	28,410	32,570	36,730	40,890
		Low (80% Income Limits ($)	46,100	52,650	59,250	**65,800**	71,100	76,350	81,600	86,900

NEW LONDON COUNTY, CT TOWNS OF Bozrah town, CT; East Lyme town, CT; Franklin town, CT; Griswold town, CT; Groton town, CT; Ledyard town, CT; Lisbon town, CT; Lyme town, CT; Montville town, CT; New London town, CT; North Stonington town, CT; Norwich town, CT; Old Lyme town, CT; Preston town, CT; Salem town, CT; Sprague town, CT; Stonington town, CT; Voluntown town, CT; Waterford town, CT; and Waterford town, CT.