

Becket

FY2017 HOUSING REHABILITATION
PROGRAM

PROGRAM GUIDE



Administered by:

Berkshire Regional Planning Commission
Housing Rehabilitation Program

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THE BECKET HOUSING REHABILITATION PROGRAM IS FUNDED BY
THE MASSACHUSETTS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

INTRODUCTION

The Becket Housing Rehabilitation Program (HRP) has been funded by the US Department of Housing and Urban Development (HUD), through the Massachusetts Department of Housing and Community Development (DHCD), FY2017 Community Development Block Grant Program (CDBG). The Program is managed by the Berkshire Regional Planning Commission.

This Housing Rehabilitation Program is designed to provide home improvement assistance to rehabilitate low/moderate income owner-occupied dwellings, including those with up to four (4) units with low/moderate income tenants. The type of work which can be accomplished under the HRP includes, but is not limited to: roofing, foundation repair, installation of energy efficient windows and doors, insulation, accessibility improvements, plumbing, electrical repair or replacement, septic, water supply, lead paint removal, exterior paint, etc.

The typical award of CDBG funds under this grant for a single rehabilitation project will be \$30,000/unit. In extensive rehabilitation projects the amount of CDBG funds may be increased up to \$35,000/unit on a case-by-case basis.

Elimination of building code violations will be given first priority. The scope of each project will be determined by the HRP Rehabilitation Specialist, in concert with the Town's Building Inspector, the Housing Rehabilitation Manager, and the Property Owner.

A. GOALS OF THE PROGRAM

- Assist low/moderate income owner-occupants in maintaining safe and sanitary dwelling units through the elimination of building code violations;
- Encourage the preservation of existing housing stock through rehabilitation;
- Prevent neighborhood blight and deterioration.

B. ELIGIBILITY REQUIREMENTS

All HRP eligible applicants must be owner-occupants whose property is located within the Town of Becket, **and must meet the income limits below**. Special consideration will be given to seniors and single parent heads of households who have low incomes.

Eligible applicants must be income-eligible. Income included in the income eligibility requirement includes that of *all persons who live in the household to be rehabilitated that are 18 years of age and older, except full-time students, and includes all sources of income*. Note that these income limits are updated annually, so please ask the HRP staff for confirmation of current household income limits.

2017 HUD Household Income Limits

1 person	\$44,800	5 persons	\$69,150
2 persons	\$51,200	6 persons	\$74,250
3 persons	\$57,600	7 persons	\$79,400
4 persons	\$64,000	8 or more persons	\$84,500

In single and multi-family homes:

- all single-unit properties must be occupied by a low-or moderate-income household
- in a two-unit structure, one or more of the units must be occupied by a low-or moderate-income household
- in a three-or four-unit property, at least 51% of the units must be occupied by low-or moderate-income households.

C. GRANT AWARDS

Grant awards will be available to selected homeowners to address part or all of the cost of the proposed rehabilitation project. All building code deficiencies will be determined by the Program's Housing Rehabilitation Specialist and/or the Town's Building Inspector, according to the Massachusetts Building Codes. The Housing Rehabilitation Specialist will determine, with the owner's input, the scope of work for each project.

The "grant" award will be secured by a 0%-interest deferred payment loan (DPL). A fifteen (15) year lien will be placed on the property to protect the investment of public funds. Payment of the DPL will only be due upon a sale or transfer of the property within the 15-year lien period. The amount owed on the DPL will decrease annually for a period of fifteen years. The pay back schedule will be as indicated in the chart below:

<u>Transfer Before the</u> <u>End of Year</u>	<u>Non-Elderly</u> <u>Payment Due</u>	<u>65 Years or Older</u> <u>Payment Due</u>
One	100%	100%
Two	90%	90%
Three	80%	80%
Four	70%	70%
Five	60%	60%
Six	50%	50%
Seven	45%	40%
Eight	40%	30%
Nine	35%	20%
Ten	30%	10%
Eleven	25%	5%
Twelve	20%	5%
Thirteen	15%	5%
Fourteen	10%	5%
Fifteen	5%	5%
After Year Fifteen	Forgiven	Forgiven

Owner-occupants of rental property must agree to maintain the affordability of the units according to HUD requirements and to limit rent increases for fifteen years (15) years upon the completion of the rehabilitation project. The HRP will allow annual rental increases to provide for increases in utilities, taxes, insurance, and inflation. Units must be made available to low/moderate income persons.

D. HARDSHIP CONDITIONS

If the cost of a project exceeds the expected per unit allotment of \$30,000, the homeowner may be asked to contribute to the balance to complete the project. A list of local banks who have stated their willingness to work with Program participants to close such financial gaps will be provided by HRP staff.

In cases where the scope of a proposed project and its anticipated costs exceed the maximum allotted and a hardship exists, the nature of the hardship will be reviewed and evaluated by the Program staff, who may consult the Program's Citizen Advisory Committee. Potential hardships include multiple major building code violations such as lead and asbestos hazards, a problematic well, and septic system replacement. Property owners with hardships may be eligible for funding under the \$35,000/unit severe need category.

F. PROJECT SELECTION PROCESS

1. Interested Property Owners owners must complete and submit an application. HRP staff will meet with potential applicants, one on one, to discuss the Program. HRP staff will be available to assist applicants with obtaining information necessary to process the application. Every attempt will be made to assist elderly and disabled applicants, and to provide interpretive services where language is a barrier to completing the application. Program staff will determine the eligibility of the homeowner through income verification, etc.
2. For qualified applicants, the HRP staff, including the Housing Rehabilitation Specialist, will conduct site visits and make a preliminary determination of project severity and feasibility.
3. As needed, a Citizen Advisory Committee, appointed by the Towns, will meet with HRP staff to evaluate, prioritize severe needs projects, and mediate complaints regarding the Project Selection Process, based on their established Grievance Policy.
4. The Housing Rehabilitation Specialist will provide the owner with a preliminary work write-up which will include all building code violations and any applicable drawings and floor plans.
5. An Environmental Review, including review of historic property status, will be conducted by HRP staff for each tentatively selected property. The Town's Historical Commission will be consulted as part of this process.
6. The Housing Rehabilitation Program Manager will notify the homeowner to inform him/her whether the property is to be included in the program.
7. A final work write-up will be prepared by the Housing Rehabilitation Specialist and incorporated into a bid package for the rehabilitation work. The owner will approve the final bid package before going out to bid. The HRP staff will assist the homeowner in procurement of construction services.

8. Participating contractors who are on the HRP's approved Contractors List will receive bid packages. All contractors will be encouraged to attend an on-site Pre-Bid Conference in order to gain an understanding of Program rules and the scope of work. Sealed bids will be delivered to the Housing Rehabilitation Program office.
9. The Housing Rehabilitation Program Manager will conduct a public Bid Opening. All bids will be reviewed by HRP staff for responsiveness, and the HRP staff will then review the three lowest qualified bids with the owner. The Property Owner will have a maximum of 30 days in which to indicate his/her approval on making an award, rejecting bids, or rebidding. The Property Owner is encouraged to select the lowest bid from the responsible and responsive Contractor. If the lowest qualified bid is *not* accepted, the Property Owner must pay the difference between that bid and the awarded bid. The selected Contractor will enter into a Construction Agreement with the Property Owner, agreeing to the scope of work and project budget.

F. RECORDING THE PROPERTY LIEN

The Housing Rehabilitation Program staff will record a lien on behalf of the Town of Becket against the Property with the Middle Berkshire District Registry of Deeds for an amount equal to the grant award. *Homeowners are responsible for the \$75 filing fee.*

G. CONSTRUCTION PROCESS

1. The Contractor will be responsible for securing a building permit and all other permits needed for the proposed work.
2. Typically, work is required to begin within fifteen (15) calendar days of selection of the Contractor. Compliance with local and state building codes is MANDATORY. The HRP staff and the Housing Rehabilitation Specialist and/or the Town's Building Inspector will assist in the inspection of work, but assume no responsibility for quality of materials or workmanship.
3. The Housing Rehabilitation specialist and HRP staff, working in cooperation with the owner, will oversee the construction, conduct site visits, make progress reports, and approve payments to the Contractor. Disputes between the Property Owner and the Contractor will be mediated by the Housing Rehabilitation Manager.
4. The Housing Rehabilitation Specialist will monitor the construction services and approve contractor invoices with the homeowner. A pre-construction conference with HRP staff and the Property Owner will be held with all of the contractors involved in the project. All construction contracts will comply with state and federal regulations.

G. PAYMENTS & PROJECT CLOSE-OUT

1. When the work is complete to the satisfaction of both the Property Owner and the Housing Rehabilitation Program, and the local Building Inspector has signed off, a check will be issued payable to the Property Owner and the Contractor. The Property Owner will then endorse the check, which will then be sent to the Contractor. The Owner will be required to sign-off on all financial transactions that take place.

2. When the project is completed the Property Owner will be provided with a copy of the CDBG Contractors Affidavit for Payment of Debts, Release of Claims, Warranty of Workmanship and Receipt of Payments.
3. The Town of Becket, and/or the Rehabilitation Program Manager reserve the right to withdraw or cancel any award or contract related to this Program in the event of Applicant non-compliance with CDBG Housing Rehabilitation Program rules and/or non-performance of a Contractor.

H. OWNER-PROVIDED LABOR (“Sweat Equity”)

1. Owners may be allowed to provide labor in order to defray the total cost of the project. HRP staff shall determine whether or not the owner possesses the qualifications and/or experience to perform work included in the specifications.
2. HRP staff may require the owner to provide a profile of qualifications or other such evidence of the owner’s ability to perform rehabilitation activities.
3. The value of this labor will be negotiated by the owner and HRP staff on an individual basis and applied to the total rehabilitation cost.

For additional Program information, please contact Patricia Mullins, Housing Rehabilitation Program Manager, 413-442-1521 ext. 17 email pmullins@berkshireplanning.org.

This program is subject to the requirements of (and not necessarily limited to) Section 3 of the Housing and Urban Development Act of 1968, Section 3 (12 USC 1701); Executive Order 11246, Entitled "Equal Employment Opportunity" (41 CFR, Part 60); the Flood Disaster Protection Act of 1973 (P.L. 93-234); Title VI of the Civil Rights Act of 1964 ; HUD Lead-Based Paint Regulations 24 CFR, Part 35, For the Elimination of Lead Based Paint Hazards; Copeland "Anti-Kick Back" Act (18 USC 874) and (40 USC 276c); Section 114 of the Clean Air Act, as amended, (42 U.S.C. 1857 C-8); Section 308 of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1318) and the Federal Labor Standards under 29 CFR, Parts 3, 5, and 5A.

This Program Guide is subject to periodic updates, which will be posted on the BRPC website @ <http://www.berkshireplanning.org/>