

*TOWN OF ADAMS
COMMUNITY DEVELOPMENT DEPARTMENT*

HOUSING REHABILITATION PROGRAM

PROGRAM DESCRIPTION

Asbestos Removal

Electrical



Plumbing

General Carpentry

Lead Abatement

TOWN HALL
8 PARK STREET
ADAMS, MA 01220
(413) 743-8317

THE ADAMS HOUSING REHAB IS FUNDED BY
THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
MASSACHUSETTS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
GOVERNOR DEVAL PATRICK, LT. GOVERNOR TIMOTHY MURRAY AND
UNDERSECRETARY TINA BROOKS

The Adams Housing Rehabilitation Program (HRP) is administered by the Town's Community Development Department with funds provided through a grant from the Department of Housing and Community Development, Massachusetts Community Development Block Grant Program. The Adams HRP provides home improvement assistance for low/moderate income homeowners and investor-owners who have low/moderate income tenants. The types of work which can be accomplished under the HRP include, but are not limited to: roofing, foundation repair, installation of energy efficient windows and doors, insulation, plumbing, electrical repair or replacement, septic, water supply, lead paint removal, exterior paint, etc. The maximum award of HRP funds is \$30,000. In extensive rehabilitation projects the amount of HRP funds may be increased to \$35,000 on a case-by-case basis.

Generally, the elimination of code violations must be addressed first. The scope of this work will be determined by the Town's Building and Wiring Inspectors and the HRP Rehab Specialist.

In most cases, HRP funding is based on a 50/50 cost share. HRP funds are "matched" by monies from the property owner. The owner's share can result from i) cash/savings, ii) a loan with one of the HRP's participating lenders, iii) in some cases, through the owner's "sweat equity," or iv) any combination of the three. In determining the owner's share, HRP staff evaluate the owner's ability to pay. The property owner's "share" of the rehabilitation costs will be required to be used prior to the expenditure of the HRP funds.

A. GOALS OF THE PROGRAM

- Promote and support the Town's historic preservation efforts aimed at preserving the "character" of existing neighborhoods;
- Encourage the viability of existing housing stock through rehabilitation rather than construction of new housing;
- Provide incentives for homeowners and landlords to upgrade their homes/apartments to minimum living standards or better;
- Provide safe and sanitary dwelling units through the elimination of code violations;
- Prevent blight and deterioration; and
- Eliminate fire and safety hazards.

B. INCOME ELIGIBILITY REQUIREMENTS

For structures to be eligible for rehabilitation, the HRP requires that low/moderate income persons residing in the structure meet the following minimum standards:

Single Unit Structure:

The residents of the structure (regardless of ownership status) must be income eligible. If not owner-occupied, the owner can be of any income as long as the tenants are eligible.

Two Unit Structure:

One of the two units must be occupied by an income eligible household. If one unit is occupied by the owner and the owner is income eligible, then the other unit may be occupied by an over income household. If one unit is occupied by the owner and the owner is not income eligible, then the remaining unit must be occupied by an income eligible household.

Three or More Units:

At least 51% of the units must be occupied by households which are income eligible. Owner occupied units are included in these calculations. Vacant units can be counted as income eligible as long as the owner agrees, in writing, to limit rent charges to the fair market rent (FMR) or below.

INCOME LIMITS with FAMILY SIZE Income will be for all persons that live in the household to be rehabilitated that are 18 years of age and older, except full-time students, and shall include all sources of income. This is not net “take home” pay but gross income from all sources. Please note that these income limits periodically change, so please ask the HRP staff for confirmation of current income levels.

1 person	\$43,450	5 persons	\$67,050
2 persons	\$49,700	6 persons	\$72,050
3 persons	\$55,900	7 persons	\$77,000
4 persons	\$62,100	8 persons	\$81,950
		or more	

C. FUNDING REQUIREMENTS

1. All HRP funding applicants must be either owner-occupants or investor-owners whose property is located within the Town of Adams, and meet the minimum income requirements above. Special consideration will be made for elderly and female heads of households who have low incomes.
2. Funding is awarded to investor-owners renting apartments/houses to persons/families meeting the income guidelines.
3. The type of financial assistance available is as follows:

“Grants” -- Funding awards will be available to homeowners (one or two-family structures) and investor-owners to address part of the cost of the proposed rehabilitation project (typically 50/50 cost share). The “grant” award will be secured by a deferred payment loan (DPL). Payment of the HRP funding amount will only be due upon a sale or transfer of the property within the lien period. A minimum fifteen (15) year lien will be placed on the property to protect the investment of public funds.

4. Both owner-occupants and investor-owners of rental property shall be required to sign an agreement 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. Vacant units at the time of application or affected units vacated during the rental restriction period will have the rents determined and monitored by the HRP.

5. All code deficiencies will be determined by the HRP Rehab Specialist and the Adams Building and Wiring Inspectors, according to the Massachusetts Building Codes.
6. The property owner's share of the rehabilitation costs will be placed in an escrow account prior to the commencement of any work. The funds will be released to the contractor upon completion of the rehabilitation work. The release of funds will be by the property owner and the Housing Rehabilitation Program.
7. The program funds will be based on the HRP Award Criteria as follows:
 - a. Location in Target Area (10 Points)
 - b. Neighborhood Impact (Maximum 10 Points)
 - c. Income Amount Below Ceiling (Maximum 10 Points)
 - d. Historically/Architecturally Significant Building (Maximum 8 Points)
 - e. Size of Family (2 Points/Dependent Maximum - 8 Points)
 - f. Female Heads of Household w/Children (8 Points)
 - g. Elderly, over 65 (8 Points)
 - h. Existence of Hazardous Material (6 Points)
 - i. Handicapped/Disabled Homeowner or Tenant (6 Points)
8. The Community Development Department's Grants Coordinator will negotiate the funding awards and the owner's "share" with the property owners, as well as with the rental values with the landlords.
9. The property owner's share of the rehabilitation cost must be used prior to the expenditure of CDBG funds.

D. HARDSHIP CONDITIONS

When an eligible property owner has demonstrated to the Grants Coordinator an extreme financial hardship, the Grants Coordinator may go before the Community Development Department's Housing Rehabilitation Advisory Committee and request a waiver of the property owner's share requirement.

As an element of the HRP, it is anticipated that there may be emergency situations, which arise but do not require a full rehabilitation approach. Unique needs like a homeowner's boiler failing or severe damage caused by a wind storm may warrant an emergency funding award. Should such a situation occur, the HRP can make a "grant" for 100% of the improvements not to exceed \$5,000. Recapture of these funds will still be required should the owner sell the property within the fifteen (15) year period from the time the funding was awarded.

E. REHABILITATION FUNDS SECURITY

Any and all commitments by the Adams Housing Rehabilitation Program to an eligible owner shall be made only pursuant to and in combination with the security of the owner's share necessary to complete the work.

- a. Additional funds may be provided by the owner from personal sources or from sources secured through a home improvement loan or mortgage.
- b. HRP staff will work with the owner and the lender to determine the type of loan that is most beneficial to the owner, and assist the owner with a participating lending institution.

F. ADMINISTRATIVE GUIDELINES

1. The HRP will forward interested owners an application. HRP staff will meet with the applicant to discuss the program and to obtain the information necessary to process the application. After the income information has been verified and an inspection of the property has been conducted, the applicant is informed whether the property is eligible for program funding and the maximum amount of funding available.
2. The Town's Rehab Specialist will conduct an on-site preliminary inspection of the entire property. The Town's Building and Wiring Inspectors will cite all code violations based on Article II of the State Sanitary Code. The plumbing and gas inspectors will be available, as needed, for any required inspections.
3. The Rehab Specialist will provide the owner with a preliminary work write-up which will include all code violations, and any applicable drawings and floor plans. The work write-up is detailed and itemized. A historical review will be conducted by the Town's Historical Commission and an Environmental Review will be conducted by HRP staff for each unit. In cases where a residence falls within a floodplain, HRP staff will make a determination if any floodplain insurance is required.
4. A final work write-up will be prepared and incorporated into a bid package. The owner will approve the final bid package before going out to bid. All participating contractors who are on the HRP's Contractors List receive bid packages. All contractors are notified of an "Open House" to allow contractors an opportunity to understand the scope of work. Sealed bids will be delivered to the Community Development Department. The bids will be reviewed by HRP staff, who submit the three lowest bids to the owner. The owner will have no more than 30 days in which to indicate his/her approval on making an award, rejecting bids or rebidding. The owner selects the contractor and, if the lowest qualified bid is not used, the owner must pay the difference between that bid and the awarded bid. The selected contractor signs a construction agreement with the property owner for the work to be done and the cost involved.
5. The HRP will procure and oversee the construction services. A pre-construction conference with HRP staff will be held with all the contractors involved in the project. All construction contracts will comply with state and federal regulations.

6. In most cases, the contractor will be responsible for securing a building permit or other permits needed for the proposed work.
7. Typically, work is to be started within fifteen (15) calendar days of selection of contractor. Compliance with local and state codes is MANDATORY. The Grants Coordinator, Rehab Specialist, and/or the Town Building Inspector will assist in the inspection of work, but they assume no responsibility for quality of material or workmanship. Once construction begins, HRP staff oversees the construction, conducts site visits, makes progress reports, and approves payments.
8. When the work is complete to the satisfaction of both the property owner and the Housing Rehabilitation Program, the Town of Adams will issue a check 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, rent any vacant apartments to eligible income families as required, and execute rental agreements.
9. 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.

G. OWNER-PROVIDED LABOR

1. When expressly approved by the HRP, an owner may provide labor to be used in calculating the owner's match. 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.

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.

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