

# STAFFORD HOUSING REHABILITATION PROGRAM

## INFORMATION FOR PROPERTY OWNERS

The Stafford Housing Rehabilitation Program provides financial and technical assistance to improve residential properties. These funds are provided from a grant from the CT Department of Housing (DOH) or from local funds.

### WHAT ARE THE PARTICIPATION REQUIREMENTS?

- The property must be located in Stafford and the Owner must have clear title.
- The property must be free of being in foreclosure and the Owner must not be in bankruptcy..
- Owner occupants must have incomes within the low- and moderate-income limits established by the U.S. Department of Housing and Urban Development (HUD). The income limits are listed at the end of this document. Higher Income owner-occupants of one-to three-family buildings who have low- and moderate-income tenants may also qualify.
- The property must have a need for work (see below).
- The Owner must be current with property taxes and sewer charges (if applicable).

### WHAT KIND OF ASSISTANCE IS AVAILABLE?

#### Financial Assistance

Financial assistance is available in the form of **Deferred Payment Loans** (DPL) for up to 100% of project costs for qualified homeowners. Households with income at or below 50% of the median income for the area will receive a DPL for 100% of the rehabilitation costs. Households with income above 50% of the median but below 80% of median will be requested to contribute 25% of the total rehabilitation costs from private funds or through bank financing. Those households unable to contribute 25% may apply for a waiver.

A **Deferred Payment Loan** accrues no interest and has no monthly payments. Repayment is not required as long as the original applicant resides in the property. At a future time when the property is sold, the loan is repaid to the Town. The Deferred Payment Loan amount is secured by a lien filed with the Town Clerk.

**Grants** are available to cover the cost of lead paint testing and treatment activities. Grants will also be available to cover costs of temporary relocation from the home, if that is needed because of lead or asbestos related work. As grants, these funds never need to be repaid to the Town.

#### Technical Assistance

The Program's Housing Rehabilitation Specialist assists property owners to determine the repairs needed and in selecting contractors to perform the work. Inspections will be conducted during construction to ensure the specified work is completed.

## WHAT TYPES OF WORK CAN BE DONE?

Building code and serious maintenance problems are the first priority of the program. The scope of work allowed under the program includes the correction of existing code violations, preventative maintenance, energy conservation improvements, wells and septic systems, and other reasonable items requested by the owner and approved by program staff.

Items not eligible for funding include obvious luxury construction (i.e. swimming pools) and work to non-residential structures (i.e. sheds, garages, etc.).

Correction of code violations that are determined necessary by the Program's Housing Rehabilitation Specialist will be non-negotiable items in the scope of work to be undertaken through the program.

Lead paint may be present in any property constructed before 1978. Federal regulations mandate that if they exist, lead paint hazards must be addressed. Grants of up to \$5,000 will cover the cost of mandated lead paint treatment, with any balance of such costs being part of the DPL.

Properties that have potential historical significance must be rehabilitated in accordance with the requirements of the Connecticut's State Historic Preservation Office.

## HOW DOES THE PROGRAM WORK?

The steps of the process are outlined below.

### **Step 1: An application is submitted to the program office.**

- Obtain an application. Applications can be requested by mail or in person from the Small Cities Housing Rehabilitation Program Office, Warren Memorial Town Hall, 1 Main Street, Stafford, CT 06076; by telephone 684-5567. They also may be downloaded from the Town's website: [www.staffordct.gov](http://www.staffordct.gov).

The property owner submits an application, income documentation and a copy of the deed to the property to the Housing Rehabilitation Office. If there are rental units in the property, additional items are requested. The Housing Rehabilitation Program Office is located on the 2<sup>nd</sup> floor (Treasurers office) of Town Hall, 1 Main Street, Stafford, CT 06076. (Refer to instructions included with application for submitting the application.)

- The application and other documentation are evaluated to determine if the Owner (and/or tenants) and property are eligible to participate.

### **Step 2: The scope of work is determined.**

- If the structure and residents meet eligibility criteria, the Housing Rehabilitation Specialist schedules a visit to conduct a preliminary property inspection and discuss potential work items with the property owner.
- Following the initial visit, the Housing Rehabilitation Specialist prepares work specifications for eligible rehabilitation items and forwards them to the Owner for review.

- The Housing Rehabilitation Specialist reviews changes requested by the property owner. Agreed-upon changes are made to the work specifications, and the Owner provides written approval of them and authorizes the project to be put out to bid.

**Step 3: The project is put out to bid.**

- Program staff sends an Invitation to Bid to contractors who have registered with the program. The owner can solicit bids from other contractors, with the understanding that the contractor must register with the program and be approved by program staff.
- The Housing Rehabilitation Specialist distributes work specifications and conducts a showing of the project for prospective bidders where appropriate.
- Bids are due at the program office by a predetermined date and time.

**Step 4: A contractor is selected.**

- Program staff reviews the bids received with the property owner. Financial assistance is based upon the lowest, responsible bid from a qualified contractor. The owner may select any bidder provided that the owner pays the difference between the low bid and the bid selected by the owner.

**Step 5: Contract agreements are signed.**

Program staff prepares the following for execution by the property owner:

- an Agreement between the Town and the owner for financial assistance,
- a contract between the owner and the selected contractor for the work to be performed, and
- a lien to ensure that the grant funds are returned to the Town if the property is sold.

Signatures on the lien must be notarized. **Town staff will serve as the notary free of charge during regular office hours.** All of these documents must be executed prior to the start of construction. If there are rental units on the property, the owner must sign a Rental Agreement which limits the rent that can be charged and ensures that the unit will remain accessible to low and moderate income households.

**Step 6: Contractor payments are made by the Town.**

The Housing Rehabilitation Specialist approves contractor payment requests. Usually, payments will be issued as two-party checks that require the signature of both the property owner and contractor. The signature of the property owner on payments signifies satisfaction with the work completed to date.

**Step 7: A final inspection is conducted at project completion.**

- A final inspection is conducted prior to releasing the contractor's final payment. If deficiencies are found during the final inspection, a punch list is developed by the Housing Rehabilitation Specialist and forwarded to the contractor.
- Work completed through the program is guaranteed by the contractor for one year following project completion.



## **WHAT IF CHANGES TO THE WORK ARE NEEDED DURING CONSTRUCTION?**

From time to time, Change Orders to the contract are required to revise the scope of work, or to change the completion date. Changes to the work scope are made in writing via a Change Order between the Owner and Contractor. These must be approved by program staff prior to the change order being executed.

## **WHAT IS REQUIRED OF THE OWNER DURING CONSTRUCTION?**

It is important for the Owner to take an active role in their home improvement project. The Owner should have the name and phone number of the contractor doing the work to be able to ask questions and discuss the progress of the work, matters of concern, or other issues surrounding the project. The property owner has the following responsibilities:

- The Owner is responsible for monitoring daily construction activity.
- The Owner should contact the Housing Rehabilitation Specialist if Change Orders are proposed, or problems arise that cannot be resolved between the Contractor and Owner. Changes or additions must be approved by the Housing Rehabilitation Specialist prior to the contractor proceeding with the work.
- The Owner approves payments for the contractor by signing the two-party checks processed by the Town.

Program policies prohibit the Owner from entering into side agreements with the Contractor while work provided through the Program is ongoing.

## **WHAT IS THE ROLE OF THE PROGRAM'S HOUSING REHABILITATION SPECIALIST DURING CONSTRUCTION?**

The Housing Rehabilitation Specialist is available to provide technical assistance throughout the project. Specifically during construction, the Housing Rehabilitation Specialist:

- holds a pre-construction conference to review the work, the schedule and other specific matters with the Owner and Contractor;
- monitors progress and performs inspections when payments are requested by the Contractor;
- prepares Change Orders for changes approved by the program, Owner and Contractor;
- prepares a punch list for the Contractor at the final inspection, if needed; and
- generally assists with problem resolution.

**Program staff is available to support property owners throughout the process. Please contact the Program office at 684-5567.**

## Current Income Limits\*

The income limits for eligibility to participate in the program vary, depending on the number of persons in a housing unit (Household Size). To determine eligibility, go to the line that corresponds to your household size and read across to the “Moderate” income column. If your annual household income is at or under the amount shown there, you meet the income eligibility requirements. Program staff will request and review source documents and make the determination as to an applicant’s income eligibility

<u>Household Size</u>	<u>Income Limits</u>	
	<u>Low</u>	<u>Moderate</u>
1 person	\$32,100	\$47,600
2 persons	\$36,700	\$54,400
3 persons	\$41,300	\$61,200
4 persons	\$45,850	\$68,000
5 persons	\$49,550	\$73,450
6 persons	\$53,200	\$78,900
7 persons	\$56,900	\$84,350
8 persons	\$60,550	\$89,800

\* Income limits change periodically. The income limits listed above have been in effect since early 2017.

*The Stafford Housing Rehabilitation Program is funded through a grant from the Connecticut Department of Housing’s (DOH) Small Cities Program and local funds, which are from proceeds when properties are sold. The Program is governed by the regulations set forth by DOH. The Program is administered through the Stafford Board of Selectmen’s Office by Community Opportunities Group, Inc., a firm under contract to the Town of Stafford.*

**This document is available in LARGE PRINT or alternative formats upon request.**

