

# Small Cities Housing Rehabilitation Program

## HOMEOWNER ORIENTATION

\$300,000 grant to assist low  
and moderate income residents

0% interest deferred loan

# \*\*\*\*\* General Characteristics \*\*\*\*\*

- For housing rehabilitation
- Assist Low and Moderate Income
- Priorities: Health, Safety, Code
- Caps

Multi-family Home Caps	
Number of Units	Loan Amount
1	\$25,000
2	\$30,000
3	\$36,000
4	\$45,000
5 or more	+ \$10,000 per unit

# \*\*\*\*\* General Characteristics \*\*\*\*\*

- Funders
  - US Housing and Urban Development
  - CT Department of Economic and Community Development
  - Municipality
- First come first served basis to those eligible



# Financing

- **Homeowner Occupant:**

0% Interest deferred loan payable at:

- Refinancing or Sale of Home
- Departure from Home
- Death of Homeowner

- **Investment Owner:**

- 15 year 3% amortized loan

# Stages of Project Implementation

- Eligibility Review
- Site Inspection & Lead Report
- Cost Estimate & Specification
- Bidding
- Legal Documentation
- Construction
- Payment and Closeout

# Applications

- **Available on Town Website**
  - Small Cities Program Tab
- **Required Application Documents**
  - Completed application form
  - Most Recent IRS Return
  - 3 recent pay check stubs from each occupant 18 years or older
  - All other income verification (SSI, Disability Payment, Veterans Benefits, etc)

# Eligibility Review

Lisa Low & Associates (LLA)

- HUD income limits
- Tax currency
- Equity in property (85% l-t-v)
- Limited Title Search (Surcharge approx. \$150)
- Environmental Review
  - State Historical Preservation Office (SHPO)
  - Flood zone = Flood insurance
  - Inland/Wetland
  - Manmade hazards: thermal explosives
- Issue Eligibility Letter:

Acceptance or Denial & Reason for Denial

# HUD Income Limits

- Log onto [www.huduser.org/portal/datasets/il/il2012/select\\_Geography.odn](http://www.huduser.org/portal/datasets/il/il2012/select_Geography.odn) for your local municipalities
- Select Connecticut
- Select Town

# Site Inspection & Lead Report

- Thorough site inspection
- Lead pamphlet distribution
- Lead inspection scheduled
- Conference with homeowner on results of inspection including lead report



# Typical Deficiencies

- Lead Based Paint Hazards
- Smoke, Carbon Monoxide & Heat Detectors
- GFCI Ground Fault Circuit Interrupter devices
- Electrical Hazards
- Lighting Fixtures
- Fuse or Circuit Breaker Panel
- Plumbing Leaks; gas, water or waste
- Plumbing Fixtures
- Heating System
- Ventilation; Kitchen & Bath, Attics
- Septic & Sewer Connections
- Exterior Property Maintenance
- ADA/504 Compliance or Upgrades
- Stairs cases and railings
- 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, drapery's 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

# Cost Estimate, Specifications, and Lead Remediation

- Cost Estimate & Specifications
  - Prepared for homeowner approval and signature
- Lead Remediation
  - Limited lead remediation grant funding available in eligible communities
  - Lead Testing and Clearance costs added to project cost/loan

# Bidding

- Bid documents prepared
- Pre-qualified contractors notified
- Mandatory site walk for pre-qualified contractors
- Bid receipt and public opening
- Contractor selection
- Contractor award

# Project Legal Documentation

- Contract & Mortgage Document Preparation
- Contract & Mortgage Document Signing Conference with homeowner, contractor, & LLA
- 3-day Right of Rescission
- Notice to Proceed
- Mortgage document signing & filing

# Construction Oversight: LLA

- Pre-construction Conference
- Homeowners & contractors select colors/styles
- Contractor obtains required permits
- Contractor orders materials
- Contractor start date
- Construction oversight by LLA staff
- Progress payment if appropriate
- Execution of change orders, if any

# Payment and Closeout

- Lead Based Paint Clearance (if applicable)
- Final inspections by building officials and LLA construction manager
- Contractor submits invoices with lien waivers, signed certificate of completion, & certificate of occupancy
- LLA / Town CEO approve payment
- Payment issued
- Documentation prepared for DECD audit

# Homeowner Obligations

- Cooperation (understanding that program is operated with limited time and resources with goal of benefit to maximum persons)
- Insurance:
  - Fire, mandatory & Flood, if required
- Maintain Property in post-rehab condition
- Recommended: Owner buy-in (sweat equity)
- Owner Investor Additional Obligations
  - Rental limitation agreement
  - Affirmative Fair Housing Marketing Plan

# Questions

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Grant Management Consultants. When calling, ask for:

- Lisa Low, Ph.D.
- Adam Kinkel, Project Manager
- Helen Chung, Office Manager & Housing Rehab Advisor

**THANK YOU**

