



Town of Hull

OFFICE OF COMMUNITY DEVELOPMENT

253 Atlantic Avenue
Hull, Massachusetts 02045
781-925-3595; Fax 781-925-8509

FY 2007 HOUSING REHABILITATION PROGRAM Policies, Guidelines, and Procedures

The Town of Hull's FY07 Housing Rehabilitation Program (Rehab Program) is funded through the U.S. Dept. of Housing and Urban Development and the Dept. of Communities and Development, Massachusetts CDBG Program. The Rehab Program provides financial assistance to rehabilitate deteriorated owner occupied and investor owned, single to four family properties. These properties must be located in the Target Area and must be primarily occupied by low to moderate-income persons.

The Target Area is defined as those units that are located in the Malta through M Street Target Area neighborhoods. See attached Target Area Map

A low to moderate income household is defined as a household whose annual gross income is less than 80% of the gross median household income for the area. Specific income limits are presented below:

Gross Income Limits – 2007

Household Size	1	2	3	4	5	6	7	8
Low and Moderate Income Limit 80% of Median Income	46,300	52,950	59,550	66,150	71,450	76,750	82,050	87,350

The Rehab Program assists existing single to four family homes only. Newly constructed homes are not eligible to participate. Rehabilitation activities are limited to correction of existing building, health, and safety codes, elimination of lead paint hazards, and improved energy efficiency. Both owner-occupied and investor-owned properties are eligible for assistance. **Persons who have received financial assistance from the Hull Housing Rehab Program within the last five years are not eligible to apply.**

Income Eligibility Is Based On Income Levels Of All Occupants

- **Owner-occupied, single-family homes:** Owner's household income must meet income eligibility standards.
- **Owner-occupied multi-family properties:** Owner's household income must meet income eligibility standards and at least 50% of tenant households must meet income eligibility requirements.
- **Investor owned properties:** At least 51% of tenant households must meet income eligibility requirements.

Forms of Financial Assistance

1. Owner Occupied Properties

- 0% Interest, Deferred Payment Loan for the total cost of the rehab project up to a maximum of \$30,000 per unit. (The maximum loan may be increased to \$35,000 per unit in cases of extreme hardship through a single-case waiver which must be approved by the Community Development Director, Town Manager, and/or DHCD)
- The Deferred Payment Loan is payable upon sale or transfer to property title.

2. Investor Owned Properties

- 0% Interest, Deferred Payment Loan for the 75% of total cost of the rehab project up to a maximum of \$22,500 per unit.
- The Owner household must pay the remaining 25% from his/her own funds. The Owner's portion of the rehabilitation cost is due prior to start of work.
- The Investor Owner must sign a fifteen (15) year rent regulatory agreement
- The Deferred Payment Loan is payable upon sale or transfer to property title.

Housing Rehabilitation Process

Once formal application is received, and eligibility is determined, the following procedure is set in motion.

- ☒ Property Owner requests a Lead Paint Inspection of property. Results of Lead Paint Inspection are reported to the Office of Community Development and to the Property Owner.
- ☒ Housing Rehabilitation Specialist inspects the property for code violations and determines the eligible Scope of Rehab Work. Required lead paint removal as determined by the Lead Paint Inspection are incorporated into the Scope of Rehab Work.
- ☒ Scope of Rehab Work is reviewed with the Property Owner. The Property Owner and the Rehabilitation Specialist sign and date the agreed upon Scope of Rehab Work. Owner also agrees that no changes to Scope of Work will be made without written approval from the Office of

Community Development. The Rehabilitation Specialist develops cost estimates and reviews the project with Community Development Director.

- ⊗ Property Owner solicits a minimum of three bids from qualified contractors or the Office of Community Development will mail a Request for Bids to pre-qualified contractors. Bids for hazardous material abatement, if applicable, are also solicited. Sealed bids are date and time stamped when received and all bids are opened at a set time on the announced date. The Rehabilitation Specialist reviews the low bid to assure that it is within 10-15% of Rehab Specialist's cost estimate and verifies that low bidder is licensed and all insurance certificates are current. The Property Owner is contacted and accepts bidder or may select alternative bid but is then responsible for difference in cost. If only one bid is received, the bid may be accepted at Community Development Director's discretion if bid is within 15% of Rehab Specialist's cost estimate.
- ⊗ Lowest estimate or bid amount determines loan amount. Once loan amount is set, the Office of Community Development sends an offer letter to Property Owner. The Property Owner agrees to accept financial terms and to use the financing only to fund the rehabilitation work as outlined in work write-up. Office of Community Development staff processes legal documentation including a mortgage agreement. Investor Owners sign rent regulatory agreement. All documents recorded at Registry of Deeds. The Property Owner signs a contract with the Contractor and an Order to Proceed is issued.
- ⊗ If lead paint abatement is required, deleading work and relocation are scheduled, occupants are notified of schedule, and receipt of notice is confirmed. Occupants are then relocated and abatement work begun. Deleading is coordinated with general contractor to facilitate process. Upon completion of lead abatement, a Certificate of Compliance is obtained and submitted with payment request for approval by Director of Community Development.
- ⊗ During the construction period, the Contractor submits invoice for all progress and final payments, and submits signed 'Request For Progress Payment' form. Supporting documentation and evidence of permits are required. The Town's Rehabilitation Specialist conducts both periodic and random inspection visits and verifies completion and quality of work by signing progress payment form. Owner also signs form acknowledging satisfaction with work. Finally, Community Development Director approves payment. Retainage of 10% of amount due held on all progress payments. Retained amount included in final payment upon satisfactory completion of work. Contractor's Release of Liens and guarantee form must be submitted to the Office of Community Development prior to issuance of final payment.
- ⊗ Upon completion of work, all legal documentation is processed by Office of Community Development staff. All loans are secured with mortgages recorded at the Registry of Deeds. Property information is also filed with the Town's Tax Collector to insure lien appears on Municipal Lien Certificate in the event of sale or property transfer.
- ⊗ All rental properties will be subject to a Rent Regulatory Agreement, to be in effect for 15 years from date rehabilitation work is complete. The Rent Regulatory Agreement is recorded at the Registry of Deeds. The Office of Community Development is responsible for notifying Property Owners of annual adjustment factor increases and verifying with tenants that Owners are adhering to program requirements. Finally, periodic random monitoring will be conducted on all rental properties to insure compliance with Fair Housing Laws and Anti-Discrimination policies.

