

ELLINGTON REGIONAL HOUSING REHABILITATION PROGRAM



INFORMATION FOR PROPERTY OWNERS

The Ellington Housing Rehabilitation Program provides financial and technical assistance to improve residential properties. To be eligible for participation, the property must be located in Ellington, Somers or Suffield. Owner occupants must be within the low- and moderate-income limits established by the Department of Economic and Community Development. Income eligible owner-occupants of one to four family buildings who have low- and moderate-income tenants may also qualify.

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 operates as a grant to the current property owner. In the event of sale of the property, the total amount of the grant must be repaid to the Town. No interest is required. Repayment is not required as long as the original applicant resides in the property. The Deferred Payment Loan amount is secured by a lien filed with the Town Clerk.

Technical Assistance

The Program's Housing Rehabilitation Specialist assists property owners to determine the repairs needed and to select contractors to perform the work. Inspections will be conducted during construction to ensure quality completion.

WHAT WORK CAN BE DONE THROUGH THE PROGRAM?

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, and other reasonable items requested by the owner and approved by program staff.

Ineligible items 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.

Properties which have potential historical significance must be rehabilitated in accordance with the requirements of the State Historic Preservation Office.

HOW DOES THE PROGRAM WORK?

The steps of the process are outlined below.

Step 1: An application is filed with the program office.

- Applications are available. They can be requested by mail or in person from the Housing Rehabilitation Program Office, 55 Main Street, Ellington, CT 06029; by telephone 870-3132.

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 third floor of Town Hall, 55 Main Street, Ellington, CT 06029. (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.
- Applicants required to contribute toward the cost of rehabilitation may ask for a list of local banks that have agreed to work with the Program.

Step 2: The scope of work is determined.

- If the property 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 property owner for review.

The Housing Rehabilitation Specialist reviews changes requested by the property owner. Agreed upon changes are made to the work specifications.

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: Contractual agreements are signed.

- Program staff prepares the following agreements for execution by the property owner:
 - an Agreement between the Town and the owner for financial assistance,
 - contracts for 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. 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 CHANGE ORDERS 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. Change Orders 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 property 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 property 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.

Please note that program policies prohibit the property owner from entering into outside 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 program guidelines and procedures with the contractor;
- monitors progress and performs inspections when payments are requested by the contractor;
- prepares Change Orders for changes approved by the program, property owner and contractor;
- prepares a punch list for the contractor, if it is determined to be necessary at the final inspection; and
- generally assists with problem resolution.

Program staff is available to support property owners throughout the process. Please contact the program office at 870-3132, on Tuesdays from 9:00-4:00, if we can be of assistance.

The Ellington Housing Rehabilitation Program is funded through a grant from the Connecticut Department of Economic and Community Development's (DECD) Small Cities Program and is governed by the regulations set forth by DECD. The Program is administered through the Ellington Board of Selectmen's Office by Community Opportunities Group, Inc., a firm under contract to the Town of Ellington. The Town of Ellington complies with all Fair Housing laws. Accommodations will be made for applicants with disabilities.

Ellington Income Limits 2016

<u>Household Size</u>	<u>Income Limits</u>	
	50% of median	80% of median
1 person	\$31,300	\$46,000
2 persons	\$35,750	\$52,600
3 persons	\$40,200	\$59,150
4 persons	\$44,650	\$65,700
5 persons	\$48,250	\$71,000
6 persons	\$51,800	\$76,250
7 persons	\$55,400	\$81,500
8 persons	\$58,950	\$86,750

