

*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) 743-8300 ext. 127

THE ADAMS HOUSING REHABILITATION PROGRAM IS FUNDED BY  
THE MASSACHUSETTS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Adams Housing Rehabilitation Program (HRP) is administered by the Town's Community Development Department with funds provided through a grant from the Massachusetts Department of Housing and Community Development, Community Development Block Grant Program (CDBG). 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. Generally, the maximum award of CDBG funds is \$30,000. In extensive rehabilitation projects the amount of CDBG 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 Rehabilitation Specialist.

In most cases, HRP funding is 100% grant funded, but we do encourage homeowners to consider making a contribution to their project. The owner's contribution can result from i) cash/savings, ii) a loan with one of the HRP's participating lenders, iii) the owner's "sweat equity," or iv) any combination of the three.

#### **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	\$46,000	5 persons	\$71,100
2 persons	\$52,600	6 persons	\$76,250
3 persons	\$59,150	7 persons	\$81,500
4 persons	\$65,700	8 persons	\$86,750
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 who are 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 all or part of the cost of the proposed rehabilitation project. 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 in most cases. A minimum fifteen (15) year lien will be placed on the property to protect the investment of public funds.
4. “**Loans**”- 0% loans are available, payable to the Town of Adams as the applicants “match” for participation in the HRP.
5. 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.

6. All code deficiencies will be determined by the Department's Housing Rehabilitation Specialist and the Adams Building and Wiring Inspectors, consistent with the Massachusetts Building codes.
7. 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 approved upon the satisfaction of both the property owner and the Adams HRP.
8. The program award of 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)
9. HRP staff will negotiate the funding awards and the owner's "share" with the property owners, as well as establishing the rental values with the landlords.
10. The property owner's share of the rehabilitation cost, when applicable must be used prior to the expenditure of CDBG funds.

#### **D. REHABILITATION FUNDS SECURITY**

When applicable 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 contribution 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.

#### **E. 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 Housing Rehabilitation 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. The Owner is required to execute the HRP's Terms & Conditions agreement with the Town of Adams.
3. The Housing Rehabilitation Specialist will provide the owner with a preliminary work write-up which will include all code violation 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 project. 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 approved Contractors List receive bid packages. All contractors are notified of an "Open House" allowing them 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 and the property owner 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 HRP staff and the Housing Rehabilitation 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 signoff 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.

**F. 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.