

TOWN OF WEYMOUTH



HOUSING REHABILITATION LOAN PROGRAM POLICY DISCLOSURE FORM

2023

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Town of Weymouth
Housing Rehabilitation Program

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PROGRAM POLICY DISCLOSURE STATEMENT

The Housing Rehabilitation Program is funded through the Community Development Block Grant and was established to assist income eligible households in Weymouth to improve their housing by eliminating building, health and safety code violations. The Program policy, guidelines and requirements are detailed below. Each situation is unique and will be discussed in detail with the applicant in case there are issues and policies not covered below:

Eligible Property and Borrowers	<p>Properties: Owner-occupied or investor owned single or multifamily (up to 4 units) or non-profit/agency owned properties (up to 12 units) with at least 51% of the occupying households' gross income falling within HUD's Low – Moderate Income guideline. (See chart A).</p> <p>Single family homes must be occupied by a low-moderate household.</p> <p>Two family homes: At least one of the units must be occupied by a low-moderate household.</p> <p>Multi-family dwellings: At least 51% of the units must be occupied by low-moderate income households. Multi-family properties will be subject to an Affordable Housing Restriction requiring that the units are rented at or below the High HOME Rent Limits for 15 years.</p> <p>All property owners must be current on their municipal taxes and charges, and their mortgage payments. The property must be insured. Flood hazard insurance is required if the property is located in a flood zone as defined by FEMA.</p>
Participants	<p>Gross household/tenant income must be determined to be 80% of median income or less. Gross income is calculated per 25 CDF 5.609 (also known as Chapter 5 or Section 8).</p> <p>Completed applications that include all required documents are processed on a first-come first served basis, depending upon fund availability. Emergency repairs are considered an exception and will be processed immediately. A wait list will be established for projects not immediately processed or to be processed when pending funds are available.</p>
Eligible Repairs	<p>Repairs to correct health and safety code violations, seal the envelope of the house to prevent moisture damage, and to address energy efficiency which include but are not limited to:</p> <ul style="list-style-type: none"> - Heating/hot water -Roofs/gutters - Plumbing - Electrical/Access to Internet as part of Electrical Upgrade - Lead paint abatement (may be required if over \$5,000 of rehab) - Asbestos – Mold remediation -Accessibility/mobility - Windows - Siding/painting - Insulation/weatherization - Septic/Sewer –Egress/Porch/Steps -Repair of walls/ceilings -Foundation - Climate Change Resiliency (frequent flooding below sea level). If funds are limited, repairs will be sorted in order of urgency/importance: Emergency, health and safety, envelope (exterior protection), energy efficiency.
Emergency Repairs	<p>Emergency repairs include:</p> <ul style="list-style-type: none"> - Heater repair/replacement if not providing adequate heat during the months of October – May, or if the property owner/tenant has a health condition that requires adequate heat. - Roof repair if the rain is flowing into a living area. - Plumbing repair to provide running water. - Hot Water tank/system if no hot water. - Electrical repair to restore electricity or to remedy an immediate safety hazard.

Application	<p>Interested property owners must complete an application to participate in the program. Applications will not be considered complete until all required documentation is included. Applications will remain open for 6 months. If completed documentation is not received within 6 months from receipt of the application, the application will be considered incomplete and closed. Documentation includes:</p> <ol style="list-style-type: none"> 1. Verification of home ownership including: <ol style="list-style-type: none"> a. Copy of Property Deed b. Mortgage/lien documentation including current balance c. Property tax payment receipts d. Insurance documentation (Note: If the house is located in a Flood Zone, flood insurance is required) 2. Verification of income/liabilities in accordance with: <ol style="list-style-type: none"> a. Paystubs, pension, Soc. Security letters, annuities, rental income verification, alimony and child support. b. Copies of utility bills, property taxes and other debt c. If self-employed, homeowner must complete form 4506T for a certified Federal tax form including Schedule C, 3. Latest Federal Tax Form #1040 to corroborate income documentation 4. Bank Statements for 2 months <p><i>The Town reserves the right to ask for additional information to ascertain income eligibility.</i></p>
Application Approval	<p>The homeowner will be notified in writing as to approval or rejection in the program. If rejected, a sufficient reason must be cited and the homeowner will be given the opportunity to appeal the decision. See attached Grievance Procedure. Applications are valid for six months after receipt.</p>
Property Inspections	<p>The Town's Rehab Specialist inspects the property to identify health and safety code violations and eligible work items. An estimate of the project cost is determined and a scope of work for contractors is prepared. If the proposed work touches any painted surface and if the property was built before 1978, a certified lead inspector will inspect in order to comply with current State and Federal lead laws, whichever one is the more stringent law. If a hazardous level of lead paint is found, the dwelling unit must achieve compliance to meet State requirements, and clearance to meet Federal requirements.</p>
Environmental Review	<p>The Housing Coordinator will complete an Environmental Review, to ensure that the repair of the property does not adversely affect wetlands, water resources, coastal zone, endangered species, farmland protection, or a historically significant project.</p>
Amount of Funding	<p>The Program provides up to \$75,000 per housing unit for eligible repairs, determined by funding availability. An exception may be made by the Housing Coordinator if the health/safety repairs are extensive or if a change order mid-project brings the total cost over \$75,000. Additional funds may be available from the CDBG grant fund, the Quincy/Weymouth Healthy Homes de-leading fund, the Quincy HOME Consortium, the Mass. Get the Lead Out Program, and the MHP Home Loan Modification Program supplement rehab costs; however, these programs have their own repayment requirements.</p>
Repair Limits	<p>Homeowners are limited to two (2) repair loans per property once the property has been inspected and major health/safety code violations have been addressed.</p>
Loan Terms	<p>Funds will be made available as Deferred Payment Loans (DPL's) at 0%, due back upon sale of the property. In a rental property, the loan terms require that the rehabilitated unit(s) will remain affordable for a minimum of fifteen years, regardless of ownership. Special conditions may apply to non-profit agencies.</p>

Relocation	In order to achieve State compliance, it may be necessary for occupants to vacate the premises during de-leading. If necessary, the program will assist in tenant and/or owner temporary relocation costs to a local motel.
Bidding and Contracting	The rehabilitation contract is between the Contractor and homeowner and therefore is not subject to State 30B procurement procedures. However, to ensure that HUD funds are being spent fairly and equitably, three bids are sought. For projects requiring a general contractor, pre-approved contractors registered in the Weymouth Rehab Program will be sent a scope of work, attend a bid showing conducted by the Rehab Specialist and submit a competitive, sealed bid. Contractors not on the pre-approved list may bid for the project as long as they are properly licensed, insured and have a satisfactory performance history. The lowest bid is awarded; owners may choose one of the higher bids from the competitive bids, but must pay the difference in price, but only under extraordinary circumstances and with the approval of the Housing Coordinator. Once a contractor is selected, the property owner enters into a formal contract for the work with the Contractor. A 10% Contingency will be added to the project cost. During construction, any changes to this contract and the scope of work must be approved by the Rehab Specialist, the Housing Coordinator and the Owner. The Rehab Specialist inspects the project periodically and must approve completed work for any progress payment requisitions for the Contractors from the CDBG loan funds as the work progresses and is completed.
Loan Stipulations	Property owners must maintain the completed project in good order, pay their mortgage and municipal taxes and charges on time, and keep the property insured.
Rental Units	If the property consists of investor owned low-moderate income rental units, the owner must sign and record an Affordable Housing Rental Restriction agreement limiting rent increases to the HUD High HOME Rent limit for fifteen years regardless of ownership and agreeing to rent to tenants whose Gross Household Income meets 80% of the area's median household income.
Tenant Notification	Tenants will be required to complete a tenant application to verify household income, will be notified separately in writing about the restrictions on rent increases and the maximum allowable rent increases that are permitted, and will receive a copy of Tenant Lead Law Notification.
Recapture	If the owner fails to observe the loan conditions, the program can initiate foreclosure proceedings to recover the loan funds. If an investor owner sells, transfers or conveys the property to a non-family member during the fifteen-year loan term the loan principal is immediately due and payable.
Monitoring	Program staff monitors the project during construction and has the right to conduct property inspections after completion to ensure the owner is complying with the loan terms. Owners agree to assist the program staff with monitoring and compliance.
Subordination to Other Loans	The program may subordinate loans on an individual basis for circumstances such as hardship/emergency cases, including transfer to family members and refinancing for an improved interest rate. Subordination approval is at the discretion of the Town Planning Director and will not be allowed if the household's income is over the low-moderate Area Median Income, or if the refinancing includes a cash-out for non-essential items.
Grievance Procedure	A party participating in a CDBG-funded activity who has a complaint about the way their case was handled or the quality of service received may seek a resolution of their complaint using the Grievance Procedure that is attached.
Other Program Items and Requirements	The program will only contribute towards the cost of work contained in the approved work write-up which addresses sanitary code violations only. The Owner must wait until the Rehab renovation work has been completed and signed off before proceeding with other renovations to the property. Each property must have the proper permits prior to commencing construction.

CHART A – HUD 2023 Income Guidelines (as of June 15, 2023)

Gross income is calculated per 24 CFR 5.609 (also known as Chapter 5 or Section 8).

Number of persons in household	With gross annual income less than...		Number of persons in household	With gross annual income less than...
1	\$ 82,950		5	\$127,950
2	\$ 94,800		6	\$137,450
3	\$106,650		7	\$146,900
4	\$118,450		8	\$156,400

CHART B – HUD 2023 High HOME Rents (includes utilities)

Number of Bedrooms	High HOME Rent Including Utilities
0	\$1,664
1	\$1,784
2	\$2,143
3	\$2,467
4	\$2,733

The program reserves the right to establish priorities or waiting lists, to adjust or limit work items, to reject non-complying applications, or to amend these terms without further notice. This program will not discriminate on the basis of race, nationality, age, sex, gender identification or disability. Assistance in completing the application will be provided if needed. A Grievance Policy is attached if an applicant feels that they have been unfairly treated.

Work must conform to applicable building codes, regulations and program guidelines. Funding comes from a Community Development Block Grant administered by the Federal Department of Housing and Urban Development and the Town of Weymouth.

I/we acknowledge receipt of this disclosure notice.

(Name)

(Name)

(Date)

PROGRAM PROCEDURAL SUMMARY

- **The Program will only contribute towards the cost of work contained in the approved work write-up.**
- **The cost of any additional work requested by the property owner will be their responsibility.**
- **Under NO CIRCUMSTANCES will work that is started prior to the closing date be included as part of the rehabilitation.**

STEP 1: APPLICATION

- Complete application and provide all required backup. (Information provided is strictly confidential.) If documentation is not received within a three month period, the file will be closed.
- Completed applications (including all documentation) are processed on a first-come first served basis and maintained on a waiting list. Emergency repairs will be processed immediately upon receipt of a completed application.
- Qualification notice is mailed based upon information provided on the application. Approved applications remain in effect for six months.

STEP 2: INSPECTION AND BIDDING

- The Housing Coordinator will coordinate the Lead Risk Assessment (if required) and Rehabilitation Specialist inspection. If septic repair or structural issues need to be addressed, an engineering firm will make inspection and draw up plans.
- Environmental Review to be completed by the Housing Coordinator to ensure that the work performed on the property will have no detrimental effect on the environment or its historical significance.
- Based on inspection, a scope of work (Work Write Up) is completed with an estimate of total cost.
- The Town's Housing Coordinator will seek 3 proposal quotes from a pre-qualified list of licensed and insured contractors, which may require a property walk-through with the contractors prior to bidding. The property owner may choose to have another contractor bid, as long as they are licensed and insured.
- The lowest responsible, qualified quote is accepted. If the property owner prefers another higher priced contractor, then they will be responsible to pay the difference directly to the contractor.

STEP 3: LOAN CLOSING AND PROJECT

- The owner(s) must sign the following documents: Owner/contractor agreement, loan agreement (which covers the contract amount, plus 10% contingency, recording fees, lead testing if applicable and other sundry costs), mortgage, promissory note, affordable housing restriction (if applicable) and additional closing papers. If not rescinded after a three day period, the contractor will receive a Notice to Proceed.
- When work is satisfactorily completed, a final inspection form signed by the Housing Coordinator, Rehabilitation Specialist and Homeowner. The contractor must submit a copy of building permit and a list of subcontractors hired for the project. The final cost is the loan payback amount.
- Payments are made directly to the contractor by the Town upon satisfactory completion of work. (If the project is extensive, interim inspections and contractor payments are allowed).
- All work is warrantied for one year.

Town of Weymouth
Housing Rehabilitation Loan Program
Grievance/Complaint Procedure

The Town of Weymouth will provide maximum input opportunity for any of its program participants - particularly its low and moderate income, elderly and disabled.

Program participants should be provided a clear, defined process to express complaints and/or concerns. Disputes which result either in the administration of the program, or through rental or loan programs, shall be resolved in the following manner:

1. Grievant states problem in writing (email accepted) and submits to the Weymouth Planning and Community Development Office Housing Coordinator at 75 Middle St., Weymouth, MA 02189.
2. The Housing Coordinator notifies the Planning Department Director of the substance of the disagreement.
3. The Director meets with the program participant within ten (10) business days of receipt of the written correspondence.
4. The Director gives the program participant a written response within five (5) business days of the meeting.
5. The program participant, if not satisfied, may request in writing, a meeting with a representative from the Mayor's Office, who shall meet with the program participant and the Director and other relevant grant staff within ten (10) calendar days of receipt of the written notice.
6. The Mayor or his/her representative will respond in writing to the grievant within ten (10) business days, advising of his decision on the matter.
7. If the grievant is dissatisfied with the Mayor's resolution, an appeal in writing can be made within fifteen (15) business days of the date of correspondence to the Town Council outlining concerns or issues.
8. Town Council will hear the complaint in a meeting with the program participant and the Director within fifteen (15) business days of receipt of the written notice. The program participant shall have the right to retain counsel, at own expense, and shall have the right to question witnesses and receive a response.
9. Town Council must notify the program participant of their decision within fifteen (15) calendar days of the hearing. The decision of the Council shall be final in all matters regarding the appeal.
10. If the grievant is not satisfied with the Town Council's decision, said grievant may seek legal counsel and obtain a resolution in any court having jurisdiction.