

HOLBROOK HOUSING REHABILITATION PROGRAM GUIDELINES

Introduction

The Holbrook Housing Rehabilitation Program (the Program) provides 15-year, 0% interest, Deferred Payment Loans (DPLs) for general rehabilitation and grants for lead paint reduction to owners of residential, one to seven-unit properties in the Town of Holbrook. Properties must have at least one code violation to qualify. The program is funded through a Massachusetts Community Development Block Grant (MCDBG) from the Commonwealth of Massachusetts Executive Office of Housing and Livable Communities (EOHLC).

- Principal Benefit: At least 51% of the units in the structure must be occupied by low- or moderate-income households, as defined by HUD (see Attachment A). All single-unit properties must be occupied by a low- or moderate-income household. In a two-unit structure, one or more of the two units must be occupied by an income-eligible household. In a three- to seven-unit property, at least 51% of the units must be occupied by low- or moderate-income households.

A. ELIGIBILITY OF PROPERTY

1. Eligible Properties: Single family and multi-family (up to seven units) residential properties are eligible for assistance.
2. Property Condition: Properties must be “substandard” as defined by the presence of one or more major code violations to participate in the program.
3. Credit Status: All mortgages or promissory notes secured by the property must be in good standing. Applicants who are in bankruptcy proceedings must demonstrate that the participating property will not be affected in any way by the bankruptcy. The property must not have state or federal tax liens. Applicants should inform Program staff if existing mortgages or promissory notes secured by the property are not in good standing (e.g. in arrears, default or foreclosure). Additionally, the applicant should inform Program staff if he/she is involved in bankruptcy proceedings. The Program will not provide assistance to applicants who have not resolved issues pertaining to the above.
4. Flood Insurance: Properties located within the 100-year floodplain must have flood insurance to participate in the program. If this additional coverage must be purchased, the first year’s premium may be paid with program funds.

B. ELIGIBILITY OF THE APPLICANT

1. Owner-occupants: If the property is owner-occupied, the property owner’s household income must be at or below the HUD-defined low- and moderate-income limits for the Boston metropolitan area, which represents 50% and 80% of median income (Attachment A). Owner-occupants of multi-family properties may be eligible for program assistance regardless of income, if their tenants are low- and moderate-income. (See Section E.3.)

Income verification, in accordance with MCDBG standards, is required. An applicant's household size will be established at the time the application is activated for determination of eligibility. In the case of jointly owned property, only the incomes of the actual household residents will be counted.

2. Investor-owners: Rental units may also qualify for assistance through the program if the tenants meet the applicable income guidelines. The income limits for tenants are the same as mentioned above and in Attachment A. The same standards used for owner-occupants will be employed to verify tenant incomes.

C. OTHER CONDITIONS OF PARTICIPATION

1. Frequency of Participation: An owner's participation in the program is limited to one property per program year (fiscal year of grant funding). For purposes of this program, "property" is defined as one or more buildings containing residential units on a single parcel (as described by the legal description on the deed) and/or single deed. If a "property" has been assisted under the provisions of an "emergency application," it will be eligible for further assistance under the normal waiting list provisions.
2. Ownership: For applicants seeking status as owner-occupants, ownership of the property, must be in the name(s) of a real, living person(s). The title to the property must clearly establish that the occupants are the owners of the property. Applicants must be able to clearly demonstrate who owns or has beneficial interest in the subject property.
3. Household Size: Household size will be determined as of the date of the first request by program staff for income documentation. In the event that there is a change in household size before a determination of income-eligibility is made, the program may review the eligibility of the project in light of the change.
4. Prior Work: Owners may not be reimbursed for projects undertaken prior to approval and authorization under the program.
5. Town Employees, Officials and Staff: Program staff, and any other Town employees or officials, who may have authority with respect to the administration of the MCDBG, are not eligible to receive program assistance. The program will obtain a determination from Town Counsel concerning conflict of interest for any Town employee requesting assistance. Conflict of interest determinations are subject to the provisions of MGL Chapter 268A and DHCD conflict of interest policies.
6. Rental Agreement: All owners of rental units will be required to execute a Rental Agreement that ensures that for a period of fifteen (15) years after rehabilitation, a minimum number of assisted housing units will remain affordable and available to low- and moderate-income households. Rents for occupied low- and moderate-income units assisted will be maintained at the base rent for one year from the date of project completion or until the end of an existing lease. The base rent is the actual rent level for the unit at the time the application for housing rehabilitation is activated for processing by the Town. If any utilities are included in the unit's initial rent, they must also be included in the base rent.

For units vacant at the time of the owner's application, the base rent must be set at a level that is at or below the Section 8 Existing Housing Program Fair Market Rent or the High HOME Rent, including adjustments for utility costs.

When units occupied by over-income tenants at the time of rehabilitation become vacant, the rent for the unit will be set at a level that does not exceed the lesser of the Section 8 Existing Housing Program Fair Market Rent or the High HOME rent, including adjustments for utility costs.

For all units, rental increases can occur only at the end of an existing lease or annually, on the anniversary of the date of completion of the rehabilitation work. Increases are limited to the HUD Annual Adjustment Factors (AAFs).

7. Affordable Housing Restriction: Owner-occupied properties with more than four units and investor-owned properties are required to execute an Affordable Housing Restriction (AHR) agreement in order to receive assistance. The AHR includes language restricting rent levels in low-and moderate-income units for a minimum of 15 years and is recorded at the Registry of Deeds. The AHR runs with the land and the terms are transferred to a new property owner should the property be sold or transferred during the term of the AHR.
8. Condominia/Cooperatives: For the purpose of determining eligibility and the level of assistance from the program, condominia/cooperatives will be qualified on the basis of the tenure and occupancy of the individual unit, with each unit being considered as a single family property. However, for participating units where rehabilitation is required for commonly owned areas, program assistance will be based on a prorated share. The condominium association/cooperative will be required to fund the cost of the prorated balance not attributable to the unit(s) assisted through the program. Condominium/Cooperative owners must have the approval of their association to perform any exterior or common area work described in the work write-up. If required in the condominium documents of a given development, approval may be necessary for interior rehabilitation as well.
9. Floodplain Requirements: Properties located within the 100-year floodplain must have flood insurance to participate in the program. If this additional coverage must be purchased, the first year's premium is an eligible program expense.
10. Falsification of Information: If an applicant falsifies information or provides misleading information in an application, the applicant will be permanently disqualified from participating in the Program.

D. ASSISTANCE TO EMERGENCY CASES

Applications for emergency assistance will be accepted. An emergency is defined as a situation with an immediate threat to the building's integrity or the health and/or safety of the property's occupants as determined by the Rehabilitation Specialist. This includes emergencies related to lead paint, i.e. where a child has dangerously elevated blood lead levels = or > 5 micrograms per deciliter as verified by a physician, and handicapped accommodations to improve the resident's ability to continue to live in the dwelling. Emergency cases will be handled as follows:

1. An application for emergency assistance will be made by the owner as part of the application for assistance, or for those already on the waiting list, when an emergency situation occurs.
2. The Rehabilitation Specialist will inspect any emergency conditions as well as check for other emergency conditions that might exist in the property.
3. The Rehabilitation Specialist may recommend that the entire rehabilitation project be pursued as an emergency based on the profile of the client, the condition of the property and/or the position of the applicant on the waiting list.
4. If an emergency condition has been determined to exist, the application will receive priority status by being moved to the front of the waiting list. The owner will be notified in writing of the change in case priority and be provided with an Emergency Assistance Agreement.
5. The notice to the property owner will specify the emergency conditions as identified. Except as provided in section D4. above, only the emergency conditions will be repaired on a priority bases. Once the emergency has been resolved, the application will be returned to the waiting list and any non-emergency repairs for which the property may be eligible will be completed when the application comes up in its normal order on the waiting list. The owner is advised that further assistance will be contingent upon the household meeting the income guidelines in effect when the application is considered in its normal order.

E. TYPE OF ASSISTANCE

Financial assistance for lead testing and lead paint hazard reduction, if required, will be provided as a grant. Financial assistance for general rehabilitation will be available in the form of a Deferred Payment Loan (DPL). All financial assistance payments require total or partial repayment upon sale or transfer of the property if the transaction occurs within 15 years of project completion. Financial assistance is dependent upon the owner's occupancy status and/or income levels as follows:

1. 100% Grant: Grants for the full cost of lead testing and lead paint hazard reduction will be provided for eligible properties. Homes constructed after 1978 do not require testing. Multi-unit properties with rental units, and homes where children under 6 reside are required to be deleaded under Massachusetts law. The federal lead paint laws are triggered by the amount of federal funds estimated for expenditure due to the rehabilitation of the property, exclusive of lead paint hazard reduction. The rehabilitation specialist is responsible for determining when lead testing is required based on the scope of work to be accomplished.

2. 100% Deferred Payment Loans: Low- and moderate-income owner-occupants of eligible properties may receive a DPL to cover 100% of the project costs, up to the per-unit cap. The lien will be in effect for 15 years from the date of project completion and 1/15th of the loan will be forgiven each year until the entire lien is forgiven at the end of 15 years.
3. 50% Deferred Payment Loans: Over-income owner-occupants and non-occupant investor-owners of eligible properties may receive a DPL equal to 50% of the project costs, up to the per unit cap. The lien will be in effect for 15 years from project completion and 1/15th of the loan will be forgiven each year until the entire lien is forgiven at the end of 15 years.

F. REPAYMENT OF DEFERRED PAYMENT LOANS

All financial assistance provided through the program is secured by a 15-year lien (mortgage) filed with the Registry of Deeds. This prevents speculation and allows owners to remain in their homes after rehabilitation without additional monthly debt. No interest is accrued, and repayment of the loan is not necessary, as long as the original applicant retains ownership of the property. The loan remains in effect for 15 years. Beginning on the one-year anniversary of project completion, 1/15th of the loan will be forgiven each year until the entire lien is forgiven at the end of 15 years. If the property is sold, mortgaged, or transferred to a non-interested party for which real consideration is given during these 15 years, the DPL becomes due and total repayment is required at the time of the transaction.

On a case-by-case basis, if hardship can be demonstrated, a homeowner may apply for a waiver of a portion of the loan repayment or total forgiveness of the loan through the Community Development Office. Program staff will submit this request to the Select Board who may waive repayment of all or a portion of the amount due.

G. MAXIMUM PROJECT COSTS

The base project cap is \$40,000 per unit. In addition, projects can be increased by up to \$10,000 for additional costs relating to any of the following: lead paint, asbestos abatement, septic replacement or sewer tie-in, accessibility retrofits, or historic preservation. The HHRP has established a per-unit maximum (project cap) of \$50,000 for CDBG contributions.

Single case waivers of the per-unit cap may be granted in special cases if the scope of the work cannot be reduced due to health and safety requirements and the owner cannot contribute funds for the amount exceeding the allowable maximum cost. Waivers must be approved by the Executive Office of Housing and Livable Communities (EOHLC).

In cases where the Housing Rehabilitation Specialist's estimate is significantly higher than the project cap for a rehabilitation case, the Rehabilitation Specialist will review the scope of work to be performed and reduce it where possible. The homeowner and the Rehabilitation Specialist may agree to list alternates to the bid specifications in an effort to keep the project within the cap allowed. If the low bid exceeds the project cap, the program will ask the property owner to finance the difference. If the owner can demonstrate an inability to provide the gap financing, a waiver of the project cap may be sought.

EOHLC waivers will be sought for all cases receiving greater than \$50,000 in assistance. If approved, the project will then go forward. If the waiver is denied by EOHLC, the project will be terminated. Assistance beyond \$50,000 per unit will not be provided to investor-owners and over-income owner occupants of multi-family properties without exception.

H. SCOPE OF WORK

1. The primary purpose of the program is to correct code violations and substandard living conditions, including the removal of the health hazards associated with lead paint and asbestos. The program will address serious code violations and incipient code violations. Priority projects are:
 - a) Code violations of the Massachusetts Sanitary, Building, Electrical and Plumbing codes, including the removal of hazardous materials (See Section I);
 - b) Lead based paint hazard reduction and deleading, the extent of which is determined by the amount of funds being expended, presence of children under six years old, and rehabilitation of rental units with one or more bedrooms;
 - c) Serious building maintenance deficiencies, deteriorated roofs, structural deficiencies;
 - d) Replacement of obsolete or inefficient heating systems;
 - e) Septic repair or replacement and sewer connections;
 - f) Building weatherization and energy efficiency improvements, such as window/door replacements, insulation, storm windows, and
 - g) Incipient conditions, which if left unaddressed would qualify for the above priorities; and
 - h) Exterior repairs/ improvements that will contribute to the improvement of the property and neighborhood.
2. All improvements must be attached to the property and must be permanent in nature.
3. Ineligible items include obvious luxury construction (pools) and other items, non-residential structures, etc.
4. Any questionable items considered for rehabilitation assistance shall be reviewed by the Program Director, and/or the Program's MCDBG representative prior to final approval.
5. Correction of code requirements determined necessary by the Rehabilitation Specialist/Building Inspector will be considered non-negotiable items that are to be corrected.

6. Properties which have been determined to be or are potentially historically and/or architecturally significant shall be reviewed with the State Historic Preservation Officer (SHPO) to avoid any adverse effects on properties of this nature. The Secretary of the Interior's Standards for Rehabilitation shall be used as program guidelines for such structures that are greater than 50 years of age.

I. PROCEDURES FOR REMOVING LEAD PAINT AND ASBESTOS

Persons temporarily displaced as a result of the removal of lead paint or the abatement of asbestos will be eligible to receive temporary displacement benefits and will be notified of their eligibility at least 30 days prior to the estimated relocation date.

1. Lead Paint Removal: A lead paint inspection and risk assessment will be conducted by a qualified and insured inspector. Specifications will be developed based on the applicable state and/or federal laws. For projects receiving over \$5,000 and less than \$25,000 of general housing rehabilitation assistance, under the effective revised lead paint regulations, a risk assessment will identify those lead paint hazards requiring interim control measures. Projects receiving \$25,000 or more of general housing rehabilitation assistance and found to have lead paint will be fully abated. The inspection report will identify levels of hazard, prioritize the risk, and recommend interim measures of abatement or full abatement depending on the amount of housing rehabilitation assistance which the property is estimated to receive. All dwellings where children under the age of six years reside will receive abatement regardless of the general rehabilitation cost of the project. All occupants will be relocated during the de-leading process. All de-leading projects will be performed by qualified, certified, and insured de-leading contractors.
2. Asbestos Abatement: An inspection of the affected property will be made by a qualified industrial hygienist certified in asbestos inspection and abatement. The inspection report will determine all areas of asbestos removal or encapsulation. Contractors selected to perform the abatement work must be qualified, certified and insured to perform such work. A qualified and certified industrial hygienist hired independently by the Rehabilitation Program will monitor the project and conduct all required air sampling tests. If relocation is necessary as a result of asbestos abatement, it will be provided as described in Section Q.

J. APPLICATION PROCESS

1. The Town will solicit applications from interested owners through such means as press releases, direct mailings, public notices, etc.
2. Applications from interested property owners will be accepted by mail or in person at the Holbrook Office of Community Development, 50 North Franklin Street, Holbrook, MA 02343.
3. Applications that cannot be determined to be eligible for program assistance due to the applicant's failure to respond to information requests in a timely manner will be closed. If an applicant wishes to reapply to the program, the application will be placed at the end of the waiting list.

K. SELECTION PROCESS

1. After the lottery of all initial application has established a waiting list, new applications will be assigned a case number on a first-come, first-served basis.
2. Program staff reserves the right to assign priority status to any emergency application as necessary. An emergency is defined in Section D above.
3. Applications not processed by the current program will be kept on a waiting list for any future programs. They will be processed in the established order if/when funds are available.
4. Owners, who have applied and been found ineligible, may reapply. However, new applicants will be placed on the waiting list and assigned the next waiting list number.
5. Applicants who do not submit requested information in a timely fashion will receive a written warning that if the information is not supplied within a specific time, their applications will be closed and removed from the waiting list. However, the applicant may re-apply at any time. The new application will be assigned the next number on the waiting list.

L. INCOME VERIFICATION PROCESS

1. Owners appearing to meet eligibility criteria based upon preliminary review of their application will be required to submit:
 - a) their most recent federal income tax return(s) (if filed) and income documentation materials that meet MCDBG requirements for all occupants of the unit(s).
 - b) a copy of the deed to the property.
 - c) A copy of the current Homeowner's Insurance declaration page.
2. Program staff will determine the eligibility of the applicant and property. Applicants will be notified in writing of the decision.
3. Applicants denied participation in the program can appeal the decision according to the established grievance procedures described in Attachment B.
4. The applicant will be provided with information regarding the requirements and procedures for receiving program assistance.

M. REHABILITATION PROCESS

1. After the property owner is deemed eligible for program assistance, the Rehabilitation Specialist will schedule a meeting to conduct a preliminary inspection and discuss work items the owner may want to include in the project. Depending on the age and nature of the building and/or the age of the property's occupants, an inspection by a certified lead inspector may be required.

2. The Rehabilitation Specialist will prepare work specifications and a cost estimate of eligible rehabilitation items for the owner's review.
3. The Rehabilitation Specialist will meet with the owner to make necessary changes to the specifications and will obtain the applicant's approval of the work write-up.
4. Bids will be obtained from contractors through the process described in Section O below.
5. Bids received will be reviewed with property owners. The Town will base its funding on the low bid amount, provided that it is a responsible bid. Owners may select any bidder provided that they pay the difference between the low bid and the selected bid.
6. The property owner must select a contractor within 14 days of the bid opening.
7. Program staff will prepare an Assistance Agreement between the owner and the Town, and contracts between the owner and the selected contractor. If an owner contribution is required, the owner must provide a certified bank check made payable to the contractor for the total amount of the owner's contribution at the time contracts are signed and before a "Notice to Proceed" is issued to the contractor. The owner's contribution will be held by the HHRP until sufficient work has been completed, invoiced, inspected and approved as outlined in this section.
8. Periodic inspections will be conducted by the Rehabilitation Specialist during construction. As part of the above process, all contractor's invoices will be checked against the actual work done before any payments are made. The Rehabilitation Specialist will sign a form approving payment to the contractor prior to the payment being processed. Program funds are disbursed only after all private funds are released for payment to contractors. Private funds are released in accordance with the above procedures.
9. At the completion of work related to lead removal, a certified lead inspector will re-inspect the property.
10. At the completion of the job, a final inspection will be performed by the Rehabilitation Specialist and property owner. If there are no deficiencies in the work and all Town-required permits have been signed by the appropriate Town Inspector, a Certificate of Final Completion will be signed by the Rehabilitation Specialist and the property owner.
11. If any deficiencies are found during the final inspection, they will be communicated to the contractor through a punch list signed by the owner. The punch list will be prepared by the Rehabilitation Specialist. Once all punch list items are satisfactorily completed, the Rehabilitation Specialist and the property owner will sign the Certification of Final Completion.
12. A 10% retainage is held by the program until all work has been completed. The retainage will be released no later than one month after all contract obligations are fulfilled.

13. When all of the above has been completed, the contractor will be issued the final payment on the job.

N. CONTRACTOR PARTICIPATION

1. The program will solicit participation by as many local building contractors and subcontractors as possible. Contractors will be notified of the opportunity to participate in the program through direct mailings, advertisements in local papers, and announcements posted in key locations. The program will also solicit contractor recommendations from homeowners and town officials.
2. Minimum requirements for contractors include:
 - a) A Massachusetts Construction Supervisors license or trade license.
 - b) Registration as a Massachusetts Home Improvement Contractor.
 - c) Workman's compensation insurance at statutorily required limits.
 - d) Property and liability insurance. Contractors shall furnish the Town with a Certificate of Insurance including "Public Liability and Property Damage Insurance" in an amount not less than \$500,000 for injuries, including accidental death to each person, and subject to the same limit for each person in an amount not less than \$1,000,000 on account of each accident and "Property Damage Insurance" in an amount not less than \$250,000 per accident and \$500,000 aggregate, to protect the Town, property owner, and any sub-contractor against claims for injury and damage which may occur or result from work performed pursuant to this Agreement. The Contractor's Certificate of Insurance shall list the Town of Holbrook as an additional loss payee.
 - e) Certificate of completed training in Safe Work Practices for the leader of the crew or all persons working on the project, if unsupervised.
 - f) Demonstrated experience in the appropriate trade(s).
 - g) A good business credit history.
3. Each contractor must fill out a registration form listing references and licenses and submit a certificate of insurance prior to receiving a contract award. References will be checked by Program Staff.
4. Once registered with the program, contractors will receive notice of projects when they go out to bid. Homeowners wishing to use contractors not included on the list may do so, provided the contractor registers with the program and submits the proper insurance certificates and references.
5. Contractors must take out all required permits prior to initiation of construction. The cost of the permits is to be included in the bid price.

6. If a participating contractor's performance or quality of work is unsatisfactory in the opinion of the Rehabilitation Specialist, the contractor shall be issued a written notice describing specific problems with the contractor's work. This notice shall serve as a warning. If the problems, as outlined in this notice, are not addressed, then, based upon the opinions of the Rehabilitation Specialist and the Program Director, the contractor may be barred from working in the program.

O. CONTRACTOR BIDDING PROCESS

1. The work write-up and specifications must be approved by the property owner prior to initiating the bidding process.
2. Once approved, an Invitation to Bid will be sent to contractors who have registered with the program and are appropriate for the job. The Invitation to Bid will identify the type of work to be completed and the date, time and location where bids will be due. All bids will be due at a prescribed time and place.
3. The Rehabilitation Specialist will conduct a pre-bid meeting at the project site for prospective bidders. If the pre-bid meeting is announced as mandatory, bids will not be accepted from contractors who did not attend the meeting.
4. Bids received after the designated time will not be accepted under any circumstance.
5. Two or three bids, preferably three, will be obtained for each project. Should fewer than two bids be received, and the effort to secure more than one bid is documented, the bid can be accepted if it is within 10% of the Rehabilitation Specialist's cost estimate.
6. The bids will be evaluated by the Rehabilitation Specialist and the property owner. The Town will base its funding on the lowest responsible bid from a qualified contractor. The owner may select any bidder provided that the owner pays the price differential between the low bid price and the selected bid price, if applicable.
7. The Town reserves the right to reject any and all bids or estimates of contractors and to waive any irregularities or items if it is in its best interest to do so.

P. SWEAT EQUITY

1. Through sweat equity, a property owner can contribute his/her labor to undertake the rehabilitation. Financial assistance is provided for contracted trade specialists and for 100% of the cost of materials. Owners are not compensated for their labor. The financial assistance will be provided in the form of a Deferred Payment Loan, as described earlier.
2. Requests to undertake a sweat equity project will be reviewed by the Program Director and Rehabilitation Specialist on a case by case basis. Due to the added complexity of utilizing sweat equity, this approach will be allowed when the following conditions are met:
 - a) The property owner possesses the necessary qualifications to undertake this work as documented through examples of completed construction/rehabilitation work.

- b) The property owner has the time to complete the work within a reasonable time.
 - c) The nature of the project is such that the owner can perform his/her work without interfering with any other contractors who may be involved.
3. A contractual agreement will be executed between the owner and the Town which addresses performance, compliance, documentation of expenditures, the work write up and materials cost estimate.
 4. The program will only pay for the cost of the materials upon inspection that they have been properly installed.
 5. Sweat equity can be used towards the 25% matching funds required for moderate income and investor-owners. The value of the sweat equity shall be calculated as the Rehabilitation Specialist's cost estimate for the work, minus the actual cost of materials.
 6. To ensure timely completion, payment from program funds will be made only upon completion of work. The exception to this will be that a single progress payment will be made to a contracted sub-trade, once that work has reached at least 50% completion. Owner funds will be disbursed first for any progress payments.

Q. TENANT ELIGIBILITY

Tenants, themselves, are not eligible to participate in the program. Owners may qualify, however, based upon income-eligible tenants. To provide a reasonable degree of protection to tenants, no owner participating in the program may receive benefits unless the owner agrees to rent the rehabilitated unit as follows:

1. Occupied units that are assisted will have rent levels maintained at the base rent (the actual rent level of the unit at the time of application for housing rehabilitation assistance, including those utilities identified as included).
2. Increases in rent can occur only at the end of an existing lease or annually upon completion of rehabilitation work. Rental increases are limited to the HUD Section 8 Annual Adjustment Factors (AAFs). However, if the current rent level exceeds the lesser of the Section 8 Fair Market Rents established for the Fitchburg-Leominster Metropolitan Statistical Area (MSA) or the High HOME Rents established for the Fitchburg-Leominster area, rents may not be increased.
3. Rent for vacant units cannot exceed Section 8 Existing Fair Market Rents or the High HOME rents for a unit with the same number of bedrooms as the subject unit.
4. When a unit occupied by over-income tenants at the time of rehabilitation becomes vacant, the newly vacant unit must be rented as established in Q.3 above.

5. For a minimum of fifteen (15) years after rehabilitation the owner must rent units, as specified in the Rental Agreement, to low- and moderate-income households as defined by the HUD income limits for the Boston – Cambridge – Quincy, MA–NH HUD Metro FMR area.

R. RELOCATION

Permanent, non-voluntary displacement of households benefiting from the program will not occur under any circumstances. The Town of Holbrook's Residential Anti-Displacement and Relocation Assistance Plan is on file in the Office of Community Development, and is available to the public for review. The Plan describes the procedures to be followed to assist participants who may be temporarily relocated on a short-term basis due to the rehabilitation of their unit. Every effort will be made to minimize the need for relocation in carrying out the rehabilitation project. However, it is often necessary to temporarily relocate residents when completing lead paint and asbestos removal. It is the Town's policy to provide relocation benefits to tenants, who may need temporary relocation. Under its Optional Relocation Assistance Policy, the Town will provide low- and moderate-income homeowners who are not URA-protected the same levels and types of temporary relocation assistance made available to tenants when these owners cannot make other arrangements on their own. Tenants and owners will receive reasonable, advance, written notification whether or not temporary relocation will be necessary and, if so, the kinds of assistance available.

S. MASSACHUSETTS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM REGULATIONS

The program will comply with all regulations set forth by the MCDBG Program. This includes, but is not limited to, the following regulations: environmental protection; historic preservation; lead paint; asbestos; displacement and relocation; financial compliance matters; civil rights and equal opportunity; Section 3; procurement; and labor and safety laws and regulations.

T. ADMINISTRATION

The program will be administered through the Holbrook Office of Community Development under the direction of the Select Board. Program staff will be responsible for the operation of the program on a day-to-day basis under the supervision of the Town Administrator.

U. AMENDMENTS AND REVISIONS

Program Guidelines and forms may be revised from time to time as deemed necessary.

V. GRIEVANCE RESOLUTION

The Town of Holbrook's *MCDBG Program Grievance Procedures* (located in Attachment B) is on file in the Community Development Office and is available for public review. They describe the procedures in place for settling any misunderstandings or disputes that may arise during any aspect of the administration of the program. They detail a two-tiered grievance process of mediation as well as steps to be followed if cases are appealed. Grievance procedures regarding relocation benefits are outlined in the *Procedures* as well.

W. LIEN SUBORDINATION

Households wishing to refinance or further indebted their properties may request subordination of the Town's lien for repayment of the DPL. Participation in the housing rehabilitation program makes it possible for Town residents, who might not otherwise be able to either obtain or repay a loan, to make repairs to their homes and still keep those homes as affordable places to live. Requests to subordinate will be considered in light of this objective.

When considering subordinating its lien position, the Town will try to reasonably accommodate program participants while protecting the Town's interest in the property. The Town will make every effort to subordinate its lien position provided sufficient equity remains in the property to assure lien payoff according to the terms outlined in these program guidelines. Sufficient equity is defined as 80% or less combined loan to value ratio (CLTV), inclusive of all mortgages, liens and encumbrances against the property. When requesting lien subordination, owners must provide evidence of current encumbrances against the property. Documentation may include a combination of the following: loan application or loan approval from the lender for the proposed loan detailing existing debt, property appraisal, title search, statement of assessed value from town assessor or property tax bill, or equivalent third party documentation detailing property value and all encumbrances. The Town will subordinate its lien position if the CLTV exceeds 80% in cases when a property owner wishes to refinance an existing mortgage principal balance and will not further encumber the property, e.g. a refinance for a lower interest rate.

Implementation: During the existing grant or subsequent grants when there is staff in the Office of Community Development, implementation of these guidelines can be accommodated by authorized Office of Community Development staff. The most senior staff person (in terms of authority/responsibility) will be authorized to approve the subordination. The actual subordination agreement must be signed by the Chair of the Select Board. Should the Office of Community Development be closed (unstaffed) for periods of time, subordination requests should be submitted to the Select Board's Office. Property owners requesting lien subordination should allow 30 days from the submittal of documentation for the Town to process the request.

Appeals/Grievances: In the event that a property owner is not satisfied with the decision by the Town relating to subordination, the Owner may appeal such a decision through the process that is established under the Town's *MCDBG Program Grievance Procedures*.

ATTACHMENT A

Effective May

May 1, 2024

FY 2024 Boston – Cambridge – Quincy, MA–NH HUD Metro FMR area

**HOLBROOK HOUSING REHABILITATION PROGRAM
INCOME LIMITS**

	<u>Income Limits</u>	
Household size	0-50% AMI Very Low-Income	51-80% AMI Low-Income
1 person	\$57,100	\$91,200
2 person	\$65,300	\$104,200
3 person	\$73,450	\$117,250
4 person	\$81,600	\$130,250
5 person	\$88,150	\$140,700
6 person	\$94,700	\$151,100
7 person	\$101,200	\$161,550
8 person	\$107,700	\$171,950

AMI = Area median income

These income limits are revised periodically. The Program will use the most current income limits in effect at the time that an application is processed for an eligibility determination.

ATTACHMENT B

MCDBG PROGRAM GRIEVANCE PROCEDURES

Persons dissatisfied with or aggrieved by administrative or operational decisions made during the grant cycle will have access to the following complaint resolution hierarchy:

1. Individuals should write the program, stating the nature of the complaint and requesting a specific remedy(ies). If the complaint involves a decision to deny, modify, or set conditions on assistance or benefits from grant programs, the individual making the complaint will establish his or her standing to appeal the decision. “Standing” is limited to an individual who applied for and was denied assistance or was otherwise required to meet certain requirements that had the effect of denying assistance.
 - The Program Director will respond to all written complaints within 15 days of receiving them. At the Director’s discretion, the complaint will be resolved by any of the following means: a meeting with the individual who filed the complaint and his/her advocate and/or assembling other information needed to consider and act on the complaint.
2. The final level of appeal shall be to the Town Administrator. Depending on the nature of the complaint, available evidence and whether irreparable damage may occur from further resolution delays, the Town Administrator may overturn or modify a previous decision, hold a hearing with the parties, or remand the matter to the Program Director with instructions.
 - The Town Administrator’s decision is final, and will be issued within 30 days of receiving the appeal.
3. Administrative actions that are not eligible for appeal include a denial of assistance based on an applicant’s household income exceeding the permissible limits, fraudulent or misleading income representations, and requests for types of assistance not funded by the grant.

Accommodations for person with disabilities and non-English speaking residents:

In accordance with Title II of the Americans with Disabilities Act of 1990 and Section 504 of the Rehabilitation Act of 1974, the town will reasonably accommodate qualified persons with disabilities in all programs and services funded by the MCDBG Grant. All programs will be offered in accessible locations (e.g., those meeting the requirements of the Americans with Disabilities Act Accessibility Guidelines), or redesigned and modified to be accessible when barrier-free facilities are unavailable for program delivery. Reasonable accommodation for other types of disabilities will be made at the request of the affected person.

If the Town needs to accommodate non-English speaking persons, it will take all administratively feasible steps to provide translation assistance upon request. For example, local authorities would seek qualified translators (e.g., faculty, graduate and ESL students) from the foreign language departments of nearby colleges and universities.