



City of Shelton

Housing Rehabilitation Program

Brochure & Application

The City of Shelton offers a Housing Rehabilitation Program to qualified low- and moderate -income residents. The funds for this program come from the Department of Housing and Urban Development (HUD) and are administered through the State of Connecticut's Department of Community and Economic Development (DECD). Homeowners qualify if they are within HUD income limits (see attachment), have sufficient equity in the property and City taxes are current. The focus of the rehabilitation is primarily on code compliance and safety concerns. Applications to this program are available in the Community Development Office, City of Shelton, 54 Hill Street, Shelton, CT 06484.

Homeowners who believe they may qualify for rehabilitation assistance are encouraged to apply to the program by filling out the attached application form and submitting the required documents. Required documents include the most recent, signed tax return of the tenants/homeowners and three recent pay stubs of all working household members aged 18 or over.

If the homeowner is deemed eligible after income, equity, and City tax review, the City's housing rehabilitation consultant, Shelton Economic Development Corporation (SEDC), will arrange a site visit. The site visit will include an initial inspection of the property and will be followed by submission of a scope of work and cost estimate to the homeowner for review and approval. Once a scope of work has been determined, SEDC will put the project out to bid to all pre-approved housing rehabilitation contractors.

Responsive contractors will be required to attend a mandatory site walk where questions can be posed and a better idea of the project's requirements can be gained. Bids will be publicly opened at an appointed date and time and the lowest responsive bidder will be selected. Responsive contractors must have a valid license appropriate to the work to be done, appropriate lead remediation certification, valid insurance, including workmen's compensation, and current references. All work must be guaranteed for a minimum of one year. SEDC will prepare a contract, mortgage documents including a promissory note, memorandum of agreement, and mortgage deed. A meeting will be organized for the homeowner, contractor and SEDC to review and sign these documents. SEDC will then arrange for the loan to be recorded on the land records with the city.

All subsequent scheduling, selections, and arrangements will be made between the homeowner and the contractor. An agent from SEDC will periodically visit the site to ensure compliance with the City's requirements; the city may also perform additional inspections. The City of Shelton may release payments to the contractor prior to completion of work, but only after inspection. Payments will be in the form of a two-party check made payable to the owner and the contractor. The check is sent to the owner for endorsement and forwarded to the contractor by the owner.

The owner will select colors, models, and materials. The contractor will not be fully paid until a full inspection of the work has been conducted by the City's building official and an agent of SEDC. The building official, SEDC inspector, and homeowner will then sign off and declare they are fully satisfied with the work. The owner cannot withhold payment from the contractor for items not related to the contract or if the work has been done per industry standards and/or has been approved by the City.

Please Note: The loaned funds are "deferred" or "0"% interest loans. Income qualified homeowners are not required to pay back the loan until the following conditions occur: the homeowner no longer lives in the house, the house is sold, the title to the home is transferred, or the owner dies. All loans are secured with a mortgage deed, promissory note, and memorandum of agreement. All homes built prior to 1978 will be tested for lead-based paint. If lead based paint is found, mitigation will be performed.

Applications to this program are available in the Community Development Office, Shelton City Hall, 54 Hill Street, Shelton, CT 06484.

For more information, contact Aleta Miner @ SEDC, 25 Brook Street, Shelton, CT, 06484, or at 203-924-2521, or Charlene DeFilippo at 203-924-1555, Ext. 1374.

City of Shelton
Housing Rehabilitation Program Application

Notice to Applicants: **PLEASE PRINT ALL INFORMATION CLEARLY**
This Application is Strictly Confidential



Do Not Write in This Section: Application No: __ Initials: Date Received: _____
Time: _____ Date Approved: _____

Name of Applicant(s): _____

Address: _____

City, State, Zip: _____

Phone (home): _____

Phone (work): _____

Phone (cell): _____

Email: _____

Social Security Number of Applicant(s): _____

Is your property owner occupied? YES _____ NO _____

Property Location: _____

Is your property single _____ or multifamily _____?

If multifamily, how many units? _____

For multi-family, each apt./unit must complete the TENANT APPLICATION and
include copies of all required backup financial documentation

Briefly describe the work needing to be done:

Do you have homeowner's insurance? YES _____ NO _____

List **ALL** individuals living at this address (include applicant, spouse, children, family members, non-family members, tenants, etc.). Use separate page if necessary.

(For multi-family homes, please copy this page and complete a separate sheet per apt./unit)

****Note:** *Estimated Annual Income declared below must include gross income as listed on your most recent tax return (1040) in addition to any benefits and/or compensation (i.e.: social security, disability, unemployment, pension, child support, alimony, SNAP benefits, etc.)*

Address _____

Apartment / Unit # _____

| Name | Age | Race/Ethnicity | Handicapped? | **Estimated Gross Annual Income |
|------|-----|----------------|--------------|---------------------------------|
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Financial documentation is required of ALL household members. Please attach copies of the following for **each** member of the household (if applicable):

1. Two (2) recent bank statements from each bank account
2. Monthly mortgage statement with current remaining balance
3. Prior year federal tax return (Form 1040), additional years may be required depending on sources of income
4. Pay stubs documenting a minimum of **6 consecutive weeks of wages**
5. Social security benefit statement entitled "Your New Benefit Amount"
6. Pension, unemployment compensation, child support, alimony or any other benefit (statement, letter or check stub showing gross monthly benefit amount, etc.)

Please estimate total of all mortgage debt still owed on this property: _____

- If you have a **Reverse Mortgage**, you are not eligible to participate in this program

Are you up to date on all your municipal taxes (including sewers)? YES _____ NO _____

- Please attach copy of tax currency printout (from the Shelton Tax Collector's Office)

Is anyone in the household and employee of the municipality? YES _____ NO _____

I authorize the program to obtain required information regarding statements made in this application and certify that all statements and documents submitted are true and complete to the best of my knowledge:

Print Name: _____

Sign Name: _____

Date: _____

The Program is administered by Shelton Economic Development Corporation

Please return the completed form with the required documentation to the City of Shelton:

Community Development Office
Charlene DeFilippo, Director
54 Hill Street, Shelton, CT 06484

List of Assets for ALL Household Members

(ie: Savings Account, Checking Account, Stocks, Bonds, Investments, etc..)

| NAME | ASSET DESCRIPTION | CURRENT CASH VALUE |
|------|-------------------|--------------------|
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All Household Members 18 years of age and older must sign below

*I declare under **penalty of perjury** (under the laws of the United States of America) that the information provided above is true and correct.*

| PRINTED NAME | SIGNATURE | DATE |
|--------------|-----------|------|
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KEEP THIS PAGE FOR YOUR RECORDS

Checklist

Please verify before submitting that you have completed/included all required documents. Only completed applications will be considered.

- Completed Application Form
- 2 Recent bank statements for all accounts and for all household members
- Recent mortgage statement, showing remaining principal balance
- Last year's federal tax returns for all household members
- Pay stubs documenting 6 consecutive weeks of wages for all household residents 18 or over
- Documentation of all other income (pensions, social security, disability, child support, etc.)
- Copy of tax currency printout from the Shelton Tax Collector's Office (including sewer taxes)
- List of Assets

If you have any questions regarding what specific supporting documents to include, please call Aleta Miner at 203-924-2521 or Charlene DeFilippo at 203-924-1555, Ext. 1374 for more information.

DOH Development Program Income Limits based on HUD Median Incomes

2022 Income Limits (Revised 6/1/2022)

| PMSA/MSA Area | Household Size | | | | | | | |
|------------------|----------------|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |

Bridgeport-Stamford-Norwalk MSA

Bridgeport - HMFA

| | | | | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| Very Low Income - HOME/CDBG | \$39,450 | \$45,050 | \$50,700 | \$56,300 | \$60,850 | \$ 65,350 | \$ 69,850 | \$ 74,350 |
| 60% of AMI - HOME/CDBG | \$47,340 | \$54,060 | \$60,840 | \$67,560 | \$73,020 | \$ 78,420 | \$ 83,820 | \$ 89,220 |
| Low Income - HOME/CDBG | \$62,600 | \$71,550 | \$80,500 | \$89,400 | \$96,600 | \$103,750 | \$110,900 | \$118,050 |

Landlords:
Your tenant(s)
must complete
this form and
submit supporting
documents

TENANT APPLICATION

Municipal Housing Rehabilitation Program

PLEASE PRINT ALL INFORMATION CLEARLY
This Application is Strictly Confidential



Name of Tenant(s): _____

Address: _____ Unit # _____

City, State, Zip: _____

Phone (home): _____ Monthly Rent \$ _____

Phone (work): _____

Phone (cell): _____

Email: _____

List **all** individuals living at this address (include yourself, spouse, children, non-family members, etc.)

***Note: Estimated Annual Income declared below must include gross wages, in addition to any benefits and/or compensation (ie: social security, disability, unemployment, pension, child support, alimony, SNAP benefits, etc.)*

| Name | Age | Race/Ethnicity | Handicapped? | **Estimated Gross Annual Income |
|------|-----|----------------|--------------|---------------------------------|
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Financial documentation is required of ALL household members. Please attach copies of the following for each member of the household (if applicable):

1. 2 recent bank statements
2. Prior year federal tax return (Form 1040)
3. Pay stubs documenting a minimum of **6 consecutive weeks of wages**
4. Social security benefit statement entitled **"Your New Benefit Amount"**
5. Pension, unemployment compensation, child support, alimony or any other benefit statement, check stubs, agreement and/or letter)

I certify that all statements and documents submitted are true and complete to the best of my knowledge:

Print Name: _____ Date: _____

Signature: _____

CITY OF SHELTON HOUSING REHABILITATION PROGRAM HANDBOOK

*For further information or inquiries, please write or call the City's
Small Cities Consultant:*

*Paul Grimmer
Shelton Economic Development Corporation
25 Brook Street
Shelton, CT 06484
203-924-2521
p.grimmer@sheltonedc.com*

The City of Shelton offers a Housing Rehabilitation Program on a first come, first served basis to qualified low-and-moderate-income residents. Funds for this program come in the form of 0% interest loans from the Department of Housing and Urban Development (HUD). Loans are administered through the State of Connecticut's Department of Housing (DOH), the City of Shelton, and Shelton's Small Cities Consultant. Homeowners qualify if they are within HUD income limits (see application), have a minimum of 10% equity in the property, and if all municipal taxes are current. The focus of the program is on health, safety and code compliance for property owners with limited resources.

Homeowners/landlords who believe they may qualify for assistance are encouraged to apply for the program by filling out the application form and submitting the required documents, including the most recent, signed Federal tax return of the tenants/homeowners, bank statements and pay stubs documenting six consecutive weeks of wages of all working household members, including tenants (as separate household) aged 18 and older. (Please note: Absentee landlords are required to pay at least 50% of project costs up front; other conditions may apply). Loans are secured with a mortgage deed, promissory note, and memorandum of agreement. Program participants are not required to pay back the loan until transfer of title to home. Costs applied to the loan may include: original contract price, change orders, lead testing, title search, but there is no out-of-pocket cost to the homeowner (except in the case of absentee landlords or non-income qualifying tenants) and municipal Town Clerk filing fee (if applicable).

Please note the following: the mission of the housing rehab program is two-fold: to serve as many candidates as we can with limited resources and to focus on health and safety improvements to the homes of low-and-moderate-income residents. To fulfill our mission, we require homeowner cooperation.

The purpose of this handbook is to provide program objectives and standards, typical deficiencies, ineligible improvements and technical procedures in the Rehabilitation Process. This handbook will be used by the municipality, owner, consultant, and contractor in administering and servicing the rehabilitation assistance program.

Program Objectives:

- To prevent hazardous health conditions and correct code violations
- To prevent blighting influences and deterioration of property and neighborhoods
- To improve the quality of the city's housing stock for low-to-moderate income persons
- To provide financial assistance to low-moderate income property owners for housing rehabilitation activities
- To provide financial assistance to low-moderate income property owners for the purpose of septic repair or replacement, sewer and water hookups, and

- To stimulate public and private investment within the target area neighborhoods.

Program Standards:

- The program will meet the minimum standards set for by the **HUD Section 8-HQS**, **IPMC** International Property Maintenance Code and the **IEBC** International Existing Building Code
- If funds are available, the program will review the HUD universal design standard and meet the further needs of owners or occupants.

Typical Deficiencies:

- Lead Based Paint Hazards
- Smoke, Carbon Monoxide & Heat Detectors
- GFCI Ground Fault Circuit Interrupter devices
- Electrical Hazards, loose or faulty wiring, open or missing junction boxes
- Lighting fixtures that are non-compliant, broken, or have poor efficiency
- Fuse or Circuit Breaker Panel, including service and grounding
- Plumbing Leaks: gas, water or waste
- Plumbing Fixtures: faucets, sinks, shower/tub & controls, toilets
- Heating System: boilers, furnaces and conversions, to include components
- Ventilation: kitchen, bath, roof and attic, crawlspace
- Septic Systems, Sewer Connections
- Exterior Property Maintenance: overgrowth, excess material, household debris
- ADA/504 Compliance or Upgrades
- Stairs: Interior Guard and Graspable Railings, and the following modifications as needed for health, safety, and affordability
- Roofing and Gutters
- Windows and Doors
- Deck and Porch Repair
- Siding and Façade Repair
- Exterior Painting
- Drainage
- Tree Pruning or Removal

Ineligible Improvements:

- Portable Items: furniture, garden or home improvement tools, wall hangings, area carpets, draperies, or shades
- Appliances: stoves, refrigerators or freezers, washing machines and dryers, etc.
- Swimming pools: any repair, modification or removal
- Excessive Landscaping: extensive shrubbery, sod, trees, garden materials, fixtures, equipment or landscaping of a type or quality which exceeds that customarily used in the locality for properties of the same general type as the property to be rehabilitated
- Ceramic Tile, excluding shower or bathing units
- Counter Tops: excluding plastic laminate
- Remodeling, including bathrooms, kitchens, and living spaces that currently meet Section 8 HUD HQS
- Driveways

Steps through Rehab

1. **Application** – Property owners within the Program Target Area complete the application form. Applications may be requested from the Consultant and will be available for download at the Housing Rehabilitation Program tab on the City’s website. At time of submission, applications are time and date stamped for first-come, first-served processing. Only completed applications—including requested financial documentation—will be considered. Homeowners deemed eligible can expect title search (approximately \$150) and lead inspection and clearing costs (usually approximately \$500), if applicable, to be included in the final rehabilitation loan. If a change order occurs during the course of a project, the homeowner will be required to sign a modification agreement to the original loan. Again, this cost will be attached to the rehabilitation loan and will not be an out-of-pocket cost to the homeowner. Following review of the original application, a letter declaring eligibility or ineligibility will be sent to each applicant. The letter will designate an application number and place on the waiting list.
2. **Initial Home Inspection**- A Housing Rehabilitation Specialist will schedule and then visit the property to be rehabilitated with the Owner in order to further determine if the property and dwelling is a candidate for the program. The Specialist will explain the inspection, and address any concerns that the Owner may have. If the project is deemed feasible, the Specialist will document all items requiring work in a detailed inspection report. The inspection typically takes 2 hours for a single-family dwelling.
3. **Lead Based Paint Inspection**- If the dwelling was constructed prior to 1978, a Lead-Based Paint Inspection and Risk Assessment will be conducted by the Environmental Consultant once the Rehab Specialist determines that the dwelling and property is a candidate for the program. If applicable, the Specialist will also present to the Owner the Lead Safe Guide for Rehabilitation that details compliance with the Federal pre-renovation education and renovation, repair, and painting regulations. Typically, within one week of the Initial Home Inspection, the Environmental Consultant will contact the Owner and arrange a time and date for the inspection. The inspection typically takes 4 hours to conduct for a single-family dwelling. Depending on the occupants in the home and the amount of lead paint found, an additional Abatement and Management plan may be required.
4. **Rehabilitation Cost Estimate** – After the initial home inspection and Lead Based Paint Inspection and Risk Assessment (if applicable) has been made, the Rehab Specialist will provide the owner a prioritized list of work items including a cost estimate for each and a scope of work for review and acceptance. The cost estimate is not the actual price that the work will cost, but rather an estimate to assist in bidding. Landlord investor or applicant financing (if applicable) must be secured in an escrow account prior to this step in the Rehab Process.
5. **Project Manual and Specifications** – After the Owner approves of the cost estimate and the scope of work, the Rehab Specialist will prepare the project manual which includes the invitation to bid, general conditions, scope of work, bid proposal, cost estimate, and performance specifications.
6. **Bidding** – The bidding process will begin with the Rehab Specialist coordinating with the Owner a time and date for mandatory Pre-Bid Site Walk. The Rehab Specialist will send the Project Manual to a pre-qualified contractor pool via email announcing the time and date, typically 5-7 days from the date of notice. Interested contractors will attend the mandatory site walk and make them familiar with the project. Bids are typically submitted 5-7 business days after the site walk. All bids will be publicly opened and recorded at the municipality. Bids will be reviewed by the Rehab Specialist typically that day or the next. The owner will select the winning bidder. The program will cover the cost up to the value of the lowest responsible bidder. Contractors who submitted a bid will be notified of homeowner selection by mail. All projects, regardless of size, must be put out to bid. Homeowners are invited to attend the bid opening.

7. **Contract and Mortgage Signing** – The Consultant will draft the contract and mortgage documents as well as coordinate the time and date that all parties will meet at the municipality. At this time, the consultant will request from both the owner and the contractor necessary insurance and documentation required for execution of the contract. The contract is between the Owner and the Contractor and the Consultant acts as witness. The contract holds both parties to the stipulations of the project manual. The Consultant monitors the execution of the Terms of the Contract. The mortgage is between the municipality and the Owner and holds the Owner to the terms of the loan.
8. **Notice to Proceed** – After the contract signing, if the Owner has not exercised his/her right of recission, the Rehab Specialist will issue a Notice to Proceed to the Contractor. The notice usually requires the Contractor to begin construction within 15 days and specifies the date of substantial completion required. Duration of projects vary, but ideally are 30-60 days. During this 15-day period, the Contractor typically meets with the Owner and reviews final color choices and measures for materials to be ordered. The Contractor also obtains all permits and schedules the subcontractors and vendors.
9. **Construction Monitoring and Inspections** – After the contractor has started the project and has completed 30-50% of the work, a request for payment may be submitted for the partially completed work. The Rehab Specialist will visit the project and verify the work billed has been performed. Only after this inspection will funds be approved to be ordered, with payment to be mailed to the Contractor. When all work is complete, a final inspection will be made by the Rehab Specialist, the local Building Officials and Environmental Consultant (if applicable). When all inspections have been made and the work has been approved, the Contractor is required to have the Owner sign and approve the Certificate of Completion before any application for final payment may be submitted. The Housing Rehab Specialist will schedule a close-out meeting with the homeowner. At that time, all close-out materials submitted by the Contractor including the Certificate of Completion, Building Official Approval, Lien Waivers, materials warranties, one-year labor warranty will be signed and transferred to the homeowner prior to final approval for request for drawdown of final payment. This step will complete the Rehabilitation Project.

Please consult the municipality's Small Cities Consultant with further questions regarding the program.