



HOMEOWNER REHABILITATION PROGRAM

Handbook and Program Guide

For the

CITY OF BRIDGEPORT

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HOMEOWNER REHABILITATION PROGRAM

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I. PROGRAM DESCRIPTION

The City of Bridgeport (“City”) has developed its Homeowner Rehabilitation Program (the “Program”) in order provide no-interest forgivable loans* to Bridgeport homeowners who are in need of emergency repairs, housing or health code violation repairs, and/or other repairs in order to make their home safe, habitable and energy efficient. Consistent with the goals set forth in the current Consolidated Plan, the City has allocated U.S. Department of Housing and Urban Development (“HUD”) Community Development Block Grant (“CDBG”) funding to the Homeowner Rehabilitation Program in order provide decent affordable housing in the City of Bridgeport.

The Program is managed by the City’s Department of Housing and Community Development (“HCD”), and is subject to all applicable HCD, City of Bridgeport, HUD, and Federal policies, procedures, regulations, and program requirements.

The issuance of loans is subject to the availability of CDBG funds.

* The term of these forgivable loans is five years. If the applicant maintains the property as their principal residence throughout the five- year period and is compliant with all CDBG Program regulations during the loan period, the loan shall be forgiven. All forgivable rehabilitation loans will be secured by a mortgage lien and a deed restriction that will be placed on the property by the City of Bridgeport.

II. PROGRAM ACTIVITIES

All eligible property owners are encouraged to apply for the Program, however, those applications which meet one or more of the program priority areas will be funded first. The goal of the Program is to make properties safe and habitable. Program priorities and eligible activities are further outlined in the current Consolidated Plan.

A. PRIORITY AREAS

- ❖ **Target Populations:** Seniors/Elderly and Persons with Disabilities.
- ❖ **Target Neighborhoods:** Hollow, East Side, East End, West Side, Reservoir, Mill Hill and South End.

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- ❖ **Current Regulatory Violations:** Properties with building and/or health code violations where the applicant meets all other program criteria.
- ❖ **Emergency Repairs.** Properties with repairs that are deemed to be an emergency if the applicant meets all other program criteria. These types of repairs include, but are not limited to:
 - Roof repairs/replacement
 - Window repairs/replacement
 - Furnace repairs/replacement
 - Lead abatement
 - Sewer emergencies
 - Plumbing
 - Handicap Accessibility

B. **OTHER ELIGIBLE ACTIVITIES**

1. Improve the energy efficiency of homes by addressing deficiencies in windows, doors and other similar improvements.
2. Improvements designed to improve handicapped accessibility.
3. Structural repair of damage to the home, including chimneys, walls, roofs, ceilings and exterior sidings.

C. **INELIGIBLE ACTIVITIES**

The City reserves the right to reject any rehabilitation work deemed to be cosmetic or unnecessary to maintain a safe and habitable home. Rejected work will be explained to the applicant in writing by HCD. Ineligible activities include:

1. Sidewalk or driveway repairs, unless said work is related to accessibility for disabled persons.
2. Repairs to rental units at the property. Multi-family properties are eligible for Homeowner Rehabilitation Program loans, however all repairs paid for with CDBG funds must be made to the owner-occupied unit or common elements of the home.
3. Detached garages and outbuildings, however, attached garages that impact the livability of the home will be considered on a case-by-case basis.
4. Purchase of construction equipment related to work being done at the assisted property.
5. Non-essential or luxury improvement items such as area rugs, landscaping, pools, hot tubs, etc.

III. APPLICANT ELIGIBILITY

A. **GENERAL**

To be eligible for the City of Bridgeport Homeowner Rehabilitation Program, the applicant and property must meet the following qualifications:

- **Occupancy.** The property being considered for the rehabilitation program must be occupied by the Homeowner as their principal residence for no less than 18-months, and be located within the city limits of Bridgeport, Connecticut.

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- **Income.** Household must meet HUD income guidelines as stated below. Household income is defined as the total income for all members of the household who are over 18 years of age.
- **Insurance.** The property must be insured at the time of application, and coverage must be maintained throughout the period of the Homeowner Rehabilitation Program loan.
- **Taxes & WPCA Obligations.** Homeowner must be current with City of Bridgeport property taxes and Water Pollution Control Authority (WPCA) assessments. *
- **FEMA Flood Zone.** If the property is located in a FEMA flood zone, the homeowner must have and maintain flood insurance on the property throughout the loan period.
- **Liens & Encumbrances.** The property must be free of all other liens and encumbrances. *

If the applicant has liquid assets in excess of \$15,000, the applicant may be asked to partially support the cost of the rehabilitation. Decisions will be made on a case-by-case basis pending the amount and urgency of repairs necessary and the amount of available liquid assets.

*Applicants who are in arrears will be given an opportunity to rectify back taxes and/or liens to participate in the Homeowner Rehabilitation Program.

B. INCOME LIMITS

HUD establishes income limits, updated annually, to ensure that low-income households receive the benefits of the Homeowner Rehabilitation Program. Low-income households are defined as those making 80% or less of the area median income (AMI).

For the Bridgeport Metro FMR area, the current 80% AMI income limits are:

Household Size	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
Income Limit	\$62,600	\$71,550	\$80,500	\$89,400	\$96,600	\$103,750	\$110,900	\$118,050

Income limits are subject to change by HUD from program year to program year. HCD will use current income limits at time of application.

If the property is a single-family dwelling, at least 51% of the non-owner adult tenants must agree to income verification to be conducted by the City of Bridgeport and must meet income eligibility as established by HUD above. In a two-family dwelling, the owner household must qualify as low income. In a three-family dwelling, the owner and one (1) other household must qualify as low income. In a four-family dwelling, the owner and two (2) other households must qualify as low income.

C. INCOME VERIFICATION

The following income sources will be used to verify household income of the property owner. Provide verification for the 60-day (2 month) period prior to the application date, unless otherwise stated.

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- federal tax returns and W2 forms, for last three (3) years
- payroll stubs
- savings, checking, certificate of deposit
- IRA, 401k or other securities
- compensation for employment services, form 1099
- interest and dividends, taxable and nontaxable
- pension benefits
- government benefits (social security, SSI)
- rental income
- unemployment compensation
- welfare payments
- disability income
- support payments (child support, alimony, etc.)
- asset income

Owners of multi-family homes must also agree to rent the non-owner units to low- or moderate-income tenants paying no more than the rent limits established by HUD for the Bridgeport, CT Metro FMR Area. These rent limits must be maintained for the duration of the loan.

For the Bridgeport Metro FMR area, the current fair market rents are:

Apartment Size	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Maximum Rent to be Charged *	\$1,105	\$1,332	\$1,652	\$2,110	\$2,464

* includes utilities paid by tenant

IV. APPLICATION PROCESS

- A. APPLICATION:** Property owners may obtain a Homeowner Rehabilitation Program application from the Department of Housing and Community Development in person, by mail/email or via the Department’s website. Applications must be filled out completely to determine eligibility. Income verification for each rehabilitated unit will be completed prior to the first site visit. Applicants who do not meet the HUD income guidelines will not be eligible for assistance.
- B. APPLICATION APPROVALS:** All completed applications will be reviewed by staff of the Department of Housing and Community Development. Once the review process has been completed, property owners will be notified by mail of the decision made by the City. The City reserves the right to accept or deny applicants for any reason, or no reason, at its discretion. Rejected applicants will be given a written explanation of why they were deemed ineligible to participate in the Homeowner Rehabilitation Program. Applicants will also be informed if they are eligible for funding but were not awarded funding during this program year due to lack of funding at the time of application and/or approval.

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HCD will maintain a waiting list based on the date the application was received and will notify applicants when funding becomes available. Applications may be moved to the top of the list on an emergency basis depending on the severity of the repairs needed and/or the vulnerability and need of the owner.

- C. **SITE VISITS:** There will be a minimum of five (5) site visits to the property. HCD will coordinate these visits with the property owner(s) so that there is minimal inconvenience. These visits will include:
1. The first site visit will be from the HCD Construction Manager to review proposed rehabilitation work so that a scope of services can be developed. If the property is a multi-family home, all units should be available for inspection. The City may also send a representative from the Department of Housing and Commercial Code Enforcement to inspect conditions at the property. Any Housing Code violations noted by the City's inspector will take a priority over all other repairs requested by the homeowner.
 2. If an inspector from the Department of Housing and Commercial Code Enforcement did not participate in the initial site visit, they may make a separate appointment to inspect the property for violations.
 3. If there are children under six (6) years of age living in the home, or if there are children under six (6) years of age living in rental unit(s) within the building, there will be a lead inspection conducted by the City of Bridgeport's Health Department Lead Division.
 4. Throughout the rehabilitation process the HCD Construction Manager will monitor the work being performed by the contractor. These visits generally take place while the contractors are on-site and are not intended to inconvenience the homeowner(s) or contractor.
 5. At the end of the rehabilitation process, a representative from the City of Bridgeport's Building Department will make a final visit to the site to ensure that construction/rehabilitation meets the housing quality standards required by the City of Bridgeport and HUD.
- D. **REHABILITATION ESTIMATE:** Within two (2) weeks of the initial inspection the HCD Construction Manager will provide the Program applicant with an itemized cost estimate of the work discussed. The estimate is not necessarily reflective of the final cost of work to be completed. Additional applicant financing (if required) must be secured by the homeowner and evidenced to the City prior to executing a written agreement with the City of Bridgeport.
- E. **ENVIRONMENTAL REVIEW:** All properties approved to receive Homeowner Rehabilitation Program funding must be reviewed and approved by City staff to ensure compliance with 24 CFR Part 58 environmental review requirements. Environmental determinations and records are to be conducted by the City's Environmental Review Officer and kept with the project file in the Department of Housing and Community Development.

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- F. LEAD REMEDIATION/ASBESTOS REMEDIATION:** All homeowners selected to receive Homeowner Rehabilitation Program loans will be required to comply with HUD and City lead-based paint hazard requirements related to assessment and remediation. Housing in which children under six (6) years of age are present will be priority projects for lead remediation. If the property to be assisted with CDBG funding shows a presence of lead paint, asbestos or mold, the City of Bridgeport will seek to provide assistance through the Bridgeport Lead Free Families and Healthy Homes Programs to remediate the issue(s).
- G. CONTRACTOR SELECTION:** All contractors selected to work on the Homeowner Rehabilitation Program are to be selected by the City in accordance with City of Bridgeport and HUD purchasing policies.
1. It is anticipated that all projects will contain scopes of service totaling less than \$25,000.00. Therefore, the City will seek quotes from a minimum of three (3) qualified contractors.
 2. Pursuant to 24 CFR 85.35 the City will not make any award or permit any subcontract to a party that is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs subject to 2 CFR Part 2424. The Department of Housing and Community Development will be responsible for monitoring contractor eligibility.
 3. All contractors are to be licensed, insured and qualified to perform the rehabilitation work they are bidding on.
 4. Efforts will be made to ensure that small minority- and women-owned business concerns are given opportunities to bid on and receive contracts related to work performed through the Homeowner Rehabilitation Program.
- H. HOMEOWNER WORK AUTHORIZATION:** Upon review of the scope of work prepared by the City of Bridgeport, the selected homeowner must execute a Homeowner Rehabilitation Agreement with the City and the Contractor detailing, amongst other things, the work to be performed at their home and an estimated cost of said work.
- I. LOAN CLOSING/CONTRACT SIGNING:** Once the application has been approved, the applicant will execute the following loan documents:
1. Homeowner Rehabilitation Agreement
 2. Open-End Mortgage Deed (with an owner occupancy requirement)
 3. Mortgage Note and Loan Agreement
 4. Various required mortgage disclosure documents

The Mortgage Deed will be recorded on the City's Land Records at the Town Clerk's Office. The City will use its attorneys to prepare the documents and be at the closing to explain the documents to the homeowner. However, they represent the City and not the homeowner. It is recommended that the applicant retain an attorney to represent them in the closing of this loan.

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- J. CONSTRUCTION MONITORING:** As previously noted, the City will conduct periodic site visits throughout the duration of the construction process to ensure that the work identified in the scope of services is being carried out in compliance with HUD standards and State and local codes. HCD staff will inspect the work completed by the contractor with the owner on site to ensure the project is being completed within program guidelines, budget and timeframe.

Contractors will be responsible for obtaining all permits and required inspections from the City of Bridgeport Building Department.

K. CONTRACTOR PAYMENT

1. All contractor invoices will be submitted directly to the HCD Construction Manager. The Program applicant is not responsible for payments to the contractor(s).
2. HCD will review all invoices received from the Contractor, ensure work being invoiced for was completed and confirm all work invoiced is eligible for payment.
3. Per City of Bridgeport policy, contractors should expect payment no sooner than thirty (30) days from the date of an invoice and all required documentation is submitted to the City.

- L. PROJECT CLOSEOUT:** When all work is complete, a final inspection will be made by the HCD Construction Manager to ensure that work has been completed properly pursuant to code and construction documents produced in connection with the contractor's bid on the project. Prior to release of final payment all forms, reports, and lien shall be in place.

If a project comes in under budget, unspent Homeowner Rehabilitation Program funding will be returned to the Program and reallocated to another eligible project.

- M. RECORD RETENTION:** HCD will maintain all files related to the Homeowner Rehabilitation Program for the duration of the loan terms, as well as for a period of four (4) years following the submission of the City's Consolidated Annual Performance and Evaluation Report in which the Homeowner Rehabilitation Program is reported on for the last time, pursuant to 24 CFR 570.502(a) (16).

- N. LABOR REQUIREMENTS:** Work performed on the Homeowner Rehabilitation Program is to comply with all local, State and Federal labor standards, as applicable, and are to be included in all bid documents by the City.

Contract documents may contain applicable Federal provisions, including a wage determination if Davis-Bacon wages apply to the project (40 USC, Chapter 3, Section 276a, a-5, and 29CFR Parts 1, 3, 5, 6, 7)