

HRP Project Description

Project Name: Housing Rehabilitation Program - a revitalization of Amesbury's program and continuation of the existing housing rehabilitation deferred payment loan program in Salisbury.

Type of Project: Housing Rehabilitation

Project Scope: The Housing Rehabilitation Program will utilize 0% Deferred Interest Loans (DPLs) to rehabilitate up to 12 units in Amesbury and 9 units in Salisbury of single and multi-family properties for housing owned and/or occupied by low and moderate-income residents. This regional program will build upon the strength of Salisbury's Program by utilizing staff to revitalize Amesbury's Program. There is waiting list of 46 Amesbury and 45 Salisbury, interested and pre-qualified LMI homeowners.

Who can participate in the program: Low and moderate-income individuals, homeowners or investor/owners with at least 50% of tenants qualifying as LMI whose properties can be brought into code compliance.

What will be the maximum dollars, per unit, available to applicants: \$30,000 per unit, \$35,000 for units that need sewer connection, septic replacement or lead paint removal.

How many units (total) will be rehabilitated: At least 12 units in Amesbury and 9 units in Salisbury which will be owner-occupied or investor-owned.

Types of units eligible (single family, multi): Owner-occupied single/multi-family structures as well as investor-owned units up to four units.

How will the individual projects be awarded (grants, loans): 0% Deferred Payments Loans for low and moderate income with loans due upon sale or transfer of property; however, a Forgiveness Policy for hardship cases is in place. There will be a mortgage recorded at the Essex County Registry of Deeds that has a 15-year affordability period.

Who will be managing/implementing the grant: The City of Amesbury has contracted with Town of Salisbury Office of Planning and Community Development (OPCD) and its Housing Rehabilitation staff. The Department has successfully managed similar housing rehabilitation projects for the last eleven years.

Process: The program manager completes the income qualification process. Upon verification from the Program Manager that the household/owner who has qualified as LMI, the Rehabilitation Specialist will make an initial inspection of the unit. A point system has been developed to rank each applicant. Points will be given for critical code violations, other health and safety code violations, household income, number of dependents, single parent households, handicapped family members and elderly. Properties with the highest points will be given priority and served first. In an emergency

situation priority will be given and critical violations will be corrected. Top priority is given to violations of HUD's minimum standards and the State sanitary code, followed by violations of town adopted BOCA Building and Mechanical and National Electric Codes. The Rehabilitation Specialist works closely with the homeowner to develop a detailed work write-up based on a priority of violations. The homeowners select the contractor, paying the difference to them out-of-pocket if they prefer not to hire the lowest qualified bidder. The Rehabilitation Specialist will monitor construction activities, coordinate change-order requests, and inspect the completed project before progress payments or any final payments are made. The Program Manager assists the homeowner with any questions or concerns during the process.

National Objective: The Housing Rehabilitation Program for Amesbury and Salisbury will continue to meet the national objective to benefit Low and Moderate Income Persons by “directly benefiting low and moderate income persons by providing them with safe, decent and sanitary housing.” (Housing activity – 100% low-mod benefit) (24 CFR Part 570.483). The Program will document and verify the incomes of all households that will receive assistance to ensure 100% benefit to low and moderate-income people. It will only provide assistance for the rehabilitation of single-family units occupied by low and moderate-income households or to owners who commit to 15 years of rental to LMI tenants. Additionally, multi-unit properties of up to four units meeting the minimum requirement of 51 % of the units (50% in a duplex) being occupied by low and moderate-income households, may participate. This will be done in accordance with the “CDF Implementation Manual” and the “Section 8 Low and Moderate Income Guidelines for the Boston Area.”

Target Area/Population: The Target Area for the Housing Rehabilitation Program is the Amesbury Urban Village Core and the Salisbury Center Corridor (attachment 2B), and the target population is households that qualify as low and moderate income, using HUD guidelines for the Boston PMSA.

Project Need: Currently 46 Amesbury families and 45 Salisbury families are on the waiting list for this program. This project allows people to afford to continue living in their own homes as well as allowing owners of multifamily dwellings to be able to improve their properties while still keeping their rents affordable.

Estimated low and moderate-income beneficiaries: 84 LMI residents

Total Dollars to be leveraged by this project: \$68,896 as well as the support pledged below to work along with our funds when additional funding is necessary to make a project feasible; list may be available on a case by case basis

In-kind services - \$31,000: Amesbury and Salisbury Health and Building Departments, Accountant, Treasurer, utilities and office space.

- As members of the North Shore HOME Consortium, funding of \$31,900 for Amesbury and \$16, 996 for Salisbury is available to preserve, maintain and improve the affordable housing stock.

- TD Bank will extend loans of up to \$30,000 for program qualified participants at prime with no closing costs.
- Newburyport Bank pledges an uncapped line of credit for program qualified participants at prime with no closing costs.
- Mass Housing Get the Lead Out Program
 - Owner-occupants 0% Deferred Interest Rate Eligible borrowers may not have to repay the loan until they sell or refinance their home
 - Preventative Owner-occupants amortizing loan with a 2% interest
 - Investor-Owners who rent to income-eligible tenants 5% fully amortizing
- Rural Development Housing Repair and Rehabilitation Loans fund very low-income rural residents who own and occupy dwellings in need of repairs. Loans of up to \$20,000 at 1% interest and grants of up to \$7,500 are available for owners 62 years of age or older.
- CTI Home Modifications Program: The intent of the Home Modifications Program is to modify homes for improved access to allow people to continue to live independently in their communities. Based on income eligibility, homeowners and landlords may apply for \$1,000 up to \$30,000 in a deferred payment loan or amortized loan for access modifications to the principle residence of elders, adults with disabilities and families with disabled children. The loan is secured by a promissory note and mortgage that are recorded as a lien on the property.
- Community Action, Inc. – heating system repair and replacement and heating fuel assistance is available to most program participants
- Action, Inc. weatherization an energy auditor will visit your home to see how we can help you stay warm in the winter and cool in the summer, while cutting back on heating and A/C costs. Weatherization work will be performed by qualified area contractors. Measures may include adding insulation, repairing windows, repairing/replacing roofs, weather-stripping and more, based on need and available funding.

Threshold Requirements – Housing Rehabilitation Program

Demonstrate project consistency with Target Areas requirements

Provide:

1. The name of target area(s) in which activit(ies) will be conducted,
2. Attach a map of the target area, and
3. Description of the target area(s) and how the boundaries were determined. Why does this geographic area constitute a target area in the community?

The Housing Rehabilitation Program for Amesbury and Salisbury will occur exclusively in Amesbury's Urban Village Core Area (attachment 2B – Target Area Map), and Salisbury's takes place in the Salisbury Center Corridor Target area (attachment 2B – Target Area Map)

The primary concentration of targeted services will be the Amesbury Urban Village Core Target Area and will benefit all eligible low and moderate income households. The Urban Village Core contains, in its eastern border, the Aubin-Nayson Neighborhood, the Central Business District (CBD) and the Market Street neighborhood in the northern and western borders. The Urban Village Core Target Area was selected in 2012 and again by the City Council in 2015, in response to a Needs Assessment Survey. The basis for assigning priority needs includes data derived from the US 2010 Census, local studies and information gathered from cooperative relationships and consultation. The framework for priority assignment was shaped by North Shore Home Consortium Continuum of Care coordination and public hearing process, the City's Citizen Participation Process, Community Action Inc.'s Strategic Plan and Needs Assessment and CDBG regulations. The Community Development Strategy is consistent with, and reflects the sustainable development principles outlined by the Office of Commonwealth Development. This area is the oldest and most underserved of the City's 25 distinct neighborhoods and is the focus of a comprehensive revitalization.

The Salisbury Center Corridor Target Area was determined through a public process. The Salisbury Center Corridor Target Area's boundaries were originally approved by the Selectmen on March 13, 2006 and amended in November 8, 2010 to incorporate an area high in substandard housing located south of the commercial beach center. This expanded target area includes an area from Rings Island on the town's southern boundary north to Main Street and also from Bartlett Street east to Railroad Avenue. This area is composed of a thickly settled central area surrounded by older subdivisions, mobile home parks with inadequate infrastructure, as well as many dated substandard units originally built as summer housing.

The area covered by the Target Area has been the recent focus for the Approved Affordable Housing Plan, the Salisbury Square Study, the Master Plan, and the Lafayette Road Corridor Zoning and Sewer Study. The community is working on meeting the needs of its low-moderate income people through concentrating development, adding public transportation and economic development. This area has many older homes, subdivisions, infrastructure, and the largest concentration of LMI households; and therefore, was designated as the Salisbury Center Corridor Target Area.

The Housing Rehabilitation Program, the Pettengill House Emergency Assistance Program, and the Boys and Girls Club Scholarship Program are all conducted within Amesbury Urban Village Core Target Area and the Salisbury Center Corridor Target area; however the Boys & Girls Club Scholarship Program and the Pettengill House Emergency Assistance Program are available to qualified beneficiaries community-wide.



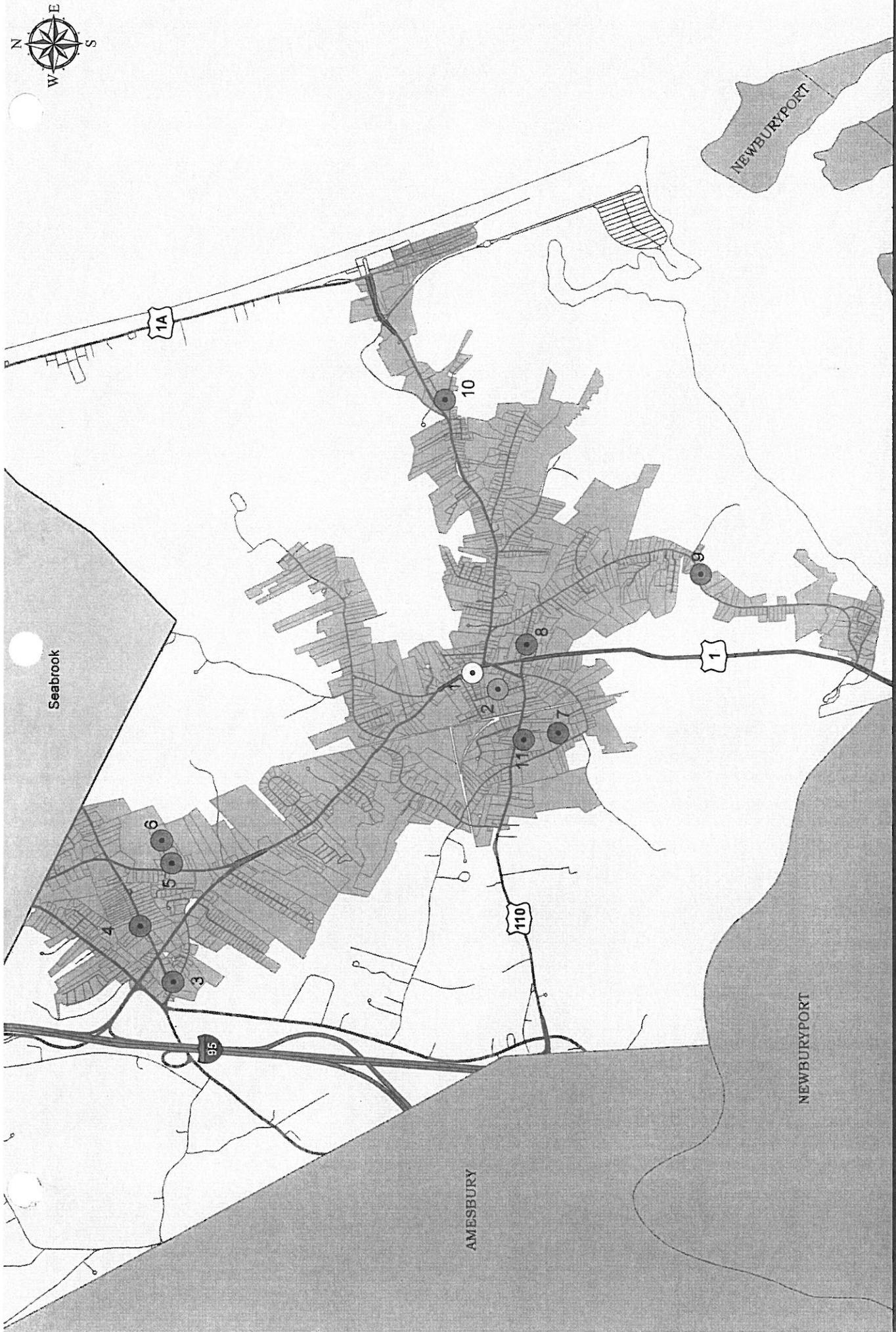
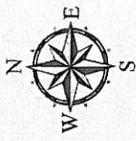
Amesbury Target Area CDBG and Non-CDBG Activities

CDBG Activities:

- Housing Rehabilitation Units on Waiting List
- Pettengill House

□ Amesbury Target Area

- ☆ Non CDBG Activities



Salisbury CDBG Target Area

Fiscal Year 2015

Legend

- Towns
- Interstate
- Coast
- CDBG_Target_Parcel
- Housing Rehab Units on Waiting List
- Boys and Girls Club of Lower Merrimack Valley

**HRP - detailed explanation of the estimated cost per unit,
and the basis for the cost**

Number of Units	Cost Per Unit	Total
14	30,000	420,000
7	35,000	245,000
21	14@\$30,000/7@\$35,000	665,000

Note: Each unit is different and requires an individual assessment and set of work specifications.

No Septic/sewer	
Specification	Amount
Windows	10,000
Storm Doors	750
Gutters and Roof	10,500
Electrical	4000
Plumbing	4,750
Total Bid	\$30,000

With Septic/sewer	
Specification	Amount
Windows	10,000
Storm Doors	750
Gutters and Roof	10,500
Electrical	4000
Plumbing	1,000
Septic/sewer	8,750
Total Bid	\$35,000

With Lead	
Specification	Amount
Windows	13,000
Storm Doors	2,750
Gutters and Roof	10,500
Electrical	4,000
Plumbing	4,750
Total Bid	\$35,000

Qualifications of the person responsible: Philip Jewett is the CDBG office Rehabilitation Specialist and will inspect properties, meet with homeowners, write up work requirements, manage the bidding process and recommend contract awards. The Rehabilitation Specialist monitors the actual construction and monitors the contractors' performance for timely implementation and compliance with construction regulations. Mr. Jewett was hired by the Town of Salisbury in 2011 and has over 30 years' experience as a general contractor and 9 years of direct experience working as a Rehabilitation Specialist using CDBG funds.

Operation and Maintenance Plan for HRP: Maintenance of the rehabilitated dwellings will be the responsibility of the individual homeowners. The homeowners will also be required to maintain insurance and flood insurance if applicable as part of the contract documents.