

Date Rec'd By CEDD \_\_\_\_\_

Application # \_\_\_\_\_

**GREENFIELD HOUSING REHABILITATION APPLICATION**  
**OWNER-OCCUPIED SINGLE FAMILY or**  
**OWNER-OCCUPIED MULTI-FAMILY**

City of Greenfield Department Community Development  
324 Main Street, Greenfield, MA 01301  
Telephone: 413-772-1548 Email: mj.adams@greenfield-ma.gov

***EQUAL HOUSING OPPORTUNITY***

**APPLICANT DATA:**

Owner's Names: \_\_\_\_\_ Age: \_\_\_\_\_

Owner's Address: \_\_\_\_\_

City, State & Zip Code: \_\_\_\_\_

Mailing Address (if different): \_\_\_\_\_

Telephone: (Days) \_\_\_\_\_ (Evenings) \_\_\_\_\_ (Cell) \_\_\_\_\_

Number of Units: \_\_\_\_\_ Email: \_\_\_\_\_

Complete this section for all **household members in Owners Unit:**

NAME	RELATIONSHIP	AGE	(Check if Applicable)		
			Female Head of Household	Handicapped Mobility	Sensory

**ETHNIC BACKGROUND:** This information is for statistical purposes only. Any Local, State or Federal Officials in determining the Borrower's eligibility will not consider data given.

**Race Category:**

\_\_\_\_\_ White  
 \_\_\_\_\_ Black/African American  
 \_\_\_\_\_ Asian  
 \_\_\_\_\_ American Indian/Alaskan Native  
 \_\_\_\_\_ Native Hawaiian/Other Pacific Islander

**Multi-Race Category:**

\_\_\_\_\_ American Indian/Alaskan Native & White  
 \_\_\_\_\_ Asian & White  
 \_\_\_\_\_ Black/African American & White  
 \_\_\_\_\_ American Indian/Alaskan Native & Black/African American  
 \_\_\_\_\_ Other (Multi-Racial)

**Ethnic Category:**

\_\_\_\_\_ Hispanic

\_\_\_\_\_ Not Hispanic

**SOURCES OF INCOME:** For each household member, in the Owner's Unit, list the gross (before taxes) each expects to receive from all sources during the next 12 months. Included is wages, rental income, unemployment income, workman's compensation, social security, annuities, interest and dividends, pensions, TAFDC, child support, alimony, etc. Please submit a copy of prior year's taxes, including all attachments.

NAME	SOURCE	GROSS AMOUNT
<b>TOTAL MONTHLY GROSS INCOME:</b>		

**PROPERTY EXPENSE INFORMATION:**

TYPE OF EXPENSE	MONTHLY PAYMENT
First Mortgage: Company Name _____ Original Amount \$ _____ Current Balance \$ _____	
Second Mortgage/Home Equity: Company Name _____ Original Amount \$ _____ Current Balance \$ _____	
Property Taxes Are these escrowed in your mortgage? YES NO	
Homeowners Insurance: Company Name _____	
Is this escrowed in your mortgage? YES NO	
Electric (estimate monthly cost)	
Heat (estimate monthly cost)	
Water/Sewer	
Trash	
Other (describe)	

**LIST ALL OTHER (MONTHLY) DEBTS:** This may include, but is not limited to: car payments, car insurance, credit card payments, health insurance, telephone, cable, internet service, other loans, etc.

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**BRIEFLY DESCRIBE IMPROVEMENTS NEEDED:**

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**DESCRIPTION OF PROPERTY:** Please answer the following questions about your property to the best of your ability.

_____ No. of Stories	_____ Type of Heating	All Utilities?	Y	N
_____ No. of Rooms	_____ Type of Plumbing	Basement?	Y	N
_____ No. of Bedrooms	_____ Type of Flooring	Driveway?	Y	N
_____ No. of Baths	_____ Type of Walls	Garage?	Y	N
_____ Age of Building	_____ Electric Capacity	Sidewalks?	Y	N
_____ Type of Roof	_____ Built in Appliances	Paved Street?	Y	N
_____ Type of Gutters	_____ Homeowners Insurance	Curbs?	Y	N
_____ Type of Exterior	_____ Fire Insurance	Energy Audit?	Y	N
		Lead Test?	Y	N

Assessed Value of Your Property? \_\_\_\_\_

Are All of Your Taxes, Water and Sewer Bills Current? YES NO  
If NO, please provide signed letter or repayment agreement from the City.

Have you ever received a Housing Rehab Loan through either the City or FCRHRA? Y N Year? \_\_\_\_\_

**COMPLETE THIS SECTION IF YOU OWN A MULTI-FAMILY PROPERTY:**

Complete spaces below for all tenants occupying the additional units, including children and unrelated individuals. If you need more space, use additional sheet of paper.

Apt. #	Tenant Name(s)	Age	# of Bedrooms per unit	Present Rent per Unit	Which Utilities Included in Rent

Are you a municipal employee or locally appointed official? YES NO

Do you work as a consultant or agent to the community? YES NO

Do you work for another agency that administers CDBG for the community? YES NO

If "Yes" what is your position title? \_\_\_\_\_ Department: \_\_\_\_\_

How did you hear about the Housing Rehabilitation Program? \_\_\_\_\_

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**BORROWER'S CERTIFICATION:**

The Borrower certifies that all information stated in the application, and all information furnished in support of this application, is given for the purpose of obtaining a loan/grant under the COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM, and is true and complete, to the best of the Borrower's knowledge and belief. Verification may be obtained from any source named herein.

**SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY.**

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**PENALTY FOR FALSE OR FRAUDULENT STATEMENTS:**

*U.S.C. Title 18, Section 1001 provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies...or makes false, fictitious or fraudulent statements or representations, or makes or uses any false writing or documentation knowing the same to contain any false, fictitious, or fraudulent statement or entry, shall be fined not more than \$10,000.00 or imprisoned not more than five (5) years or both."*

## DOCUMENT CHECKLIST

The following documentation should be submitted with your application:

- ☐ Copy of Homeowners Property Insurance
- ☐ Copy of Mortgage Statement(s)
  
- ☐ 4506T-EZ – Short Form Request for Individual Tax Return Transcript
- ☐ Employment verification for **all** household members (if you and/or they are not self-employed)
  - Employment verification form from employer
  - Copies of pay stubs (8 weeks)
- ☐ Social Security verification of monthly benefits for **all** household members (if applicable)
  - SSI, SSA, SSDI printout
  - A statement from bank or copy of bank direct deposit
- ☐ Self Employment verification for **all** household members (if applicable)
- ☐ Child Support verification for **all** household members (if applicable)
- ☐ Workers Comp verification for **all** household members (if applicable)
- ☐ Retirement and Pension Income verification for **all** household members (if applicable)
- ☐ Verification of no income (notarized document) (if applicable)
  
- ☐ Copy of recent Energy Audit, if available
  - If not, please call Community Action (CA) Energy Programs at 413/774-2310 to schedule an energy audit.
  - If you are not eligible for CA energy audit – call MassSave to schedule an audit - [1-866-527-SAVE \(7283\)](tel:1-866-527-SAVE)

We will collect the following information on your behalf:

- ☐ Copy of Warranty Deed or Quitclaim Deed.
- ☐ Copy of most recent Property Tax Bill
- ☐ Copy of most recent Water/Sewer Bill

# **CITY OF GREENFIELD**

## **HOUSING REHABILITATION PROGRAM**

# **GENERAL INFORMATION GUIDELINES**

**Updated July 2020**

## **CITY OF GREENFIELD GENERAL INFORMATION GUIDELINES**

### **I. INTRODUCTION**

**The Community Development Block Grant (CDBG) Housing Rehabilitation Program, administered by the City of Greenfield** will provide zero percent (0%) interest deferred payment loans to eligible owners of residential properties.

**The funding source for this program is the Massachusetts Department of Housing and Community and Development (DHCD). DHCD receives federal Community Development Block Grant (CDBG) funds from the US Department of Housing and Urban Development (HUD).**

The City of Greenfield provides affordable loans to bring residential dwellings into code compliance. Eligible repair activities will include lead paint and asbestos removal, handicap accessibility, wells, septic systems, heating, plumbing and electrical work, structural repairs, and kitchen and bathroom repairs.

### **II. FINANCIAL MECHANISMS:**

Income eligible owner-occupants will be pre-screened by the program for their "ability to pay/borrow" consistent with the underwriting criteria of the participating lender, the Greenfield Savings Bank. If the owner has ability to borrow, the program will require the homeowner to seek a bank loan.

"Owner-occupied" is defined as a property of no more than four (4) units, one of which is occupied by the owner.

#### **A. Owner-Occupant (Single Family or Multi-family - no more than four unit properties):**

Rehabilitation funds loaned to Owner-Occupants or multi-family owners will be in the form of Deferred Payment Loans (DPL). The DPL will be reimbursed upon the sale or transfer of the property with no interest assessed and will be enforced through a recorded mortgage lien on the property.

When owners cannot afford any monthly payments, a full Deferred Payment Loan will be made up to a maximum of \$40,000.00 per unit. The DPL requires no monthly payment and is secured by a recorded mortgage lien. The DPL will be reimbursed to the City's Program Income account upon sale or transfer of the property or if the borrower violates the terms of any applicable Rental Agreements.

As part of the loan agreement, the Owner-Occupant of a Multi-family (no more than four units) must sign a rental agreement for all rental units. This will limit rents for a

period of fifteen (15) years. Owners must rent to low- and moderate-income tenants and keep the rents stable (according to the Section 8 Housing Choice Voucher Program's Annual Adjustment Factor) during the fifteen (15) year period. The Owner must notify the City of Greenfield of vacant units and must be willing to rent to subsidized tenants. The Owner must also notify the City of Greenfield in writing prior to any sale or transfer of said property and such sale or transfer shall be contingent upon transfer of this agreement to the new owner for the remainder of the term, therefore, assuring low/mod benefit.

### **III. ELIGIBILITY:**

Preliminary eligibility is defined as an applicant meeting the initial eligibility requirements in order to qualify to begin the housing rehabilitation process. Final eligibility is determined after a complete bid package is received and reviewed by the City of Greenfield.

**A. Applicants:** This program is targeted to owner-occupied or investor-owned single family/multi-family units within the City's Target Area (please see enclosed).

Owner-Occupied Single Family Units: All single family units must be occupied by a low- to moderate-income household.

Owner-Occupied Multi-Family Units: ALL owner-occupied multi-family units must be occupied by:

- (1) the owner of the property and
- (2) 51% of all units must be occupied by low- to moderate-income households

Investor owned Units: All units must be occupied by low- to moderate-income households in order to qualify for a total deferred payment loan. If any unit(s) is vacant, the homeowner must agree to rent to low- to moderate-income tenants for fifteen years. The fifteen year rental agreement period starts at completion of the work.

**B. Ownership:** All applicants must be the property owner of record of the proposed residential structure. All owners on the deed must sign all of the documents required by the program.

**C. Conflict of Interest:** the Department of Housing and Urban Development 24 CFR Part 570.489 (h)(3)(4)(5) conflict of interest provisions prohibits any person who an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or sub-recipient which are receiving funds under this part to participate in this housing rehabilitation program.

**D. Income:** Your household and/or the household(s) of your tenants must be "income eligible". **All annual gross household income for each resident of the unit is**



**considered.** Please note the following HUD low- to moderate- income limits which must be adhered to:

***NEW INCOME GUIDELINES  
FRANKLIN COUNTY  
(Updated July 2020)***

**INCOME GUIDELINES (2020)**

	Persons in Household							
	1	2	3	4	5	6	7	8
<b>Gross ANNUAL INCOME less than 80% AMI Income Limits (\$)</b>	47,850	54,650	61,500	68,300	73,800	79,250	84,700	90,200

**E. Ability-to-Pay/Borrow:** Income eligible owner-occupied and investor owners will be pre-screened by the program for their "ability-to-pay/borrow" consistent with the underwriting criteria of the participating lender, Greenfield Cooperative Bank (GCB). The City of Greenfield staff will do a simple calculation to determine an applicant's debt-to-income ratio. If the ratio is determined to be under 40%, then an applicant may be referred to GCB to apply for funds to leverage against CDBG funds, thereby increasing the number of households The City of Greenfield can serve. However, if an applicant's debt-to income ratio is under 40%, but disposable income is too low to support a low-interest loan, The City of Greenfield will not require that an applicant apply for a loan from GCB. The balance of funds necessary to complete the work, up to the program's threshold, will be loaned directly by the program as a DPL. When owners cannot afford any monthly payment, a 0% Deferred Payment Loan will be made to cover the entire cost of rehabilitation up to \$40,000.

**F. Structures:** The primary purpose of the loan is to bring deteriorated residential units into compliance with all applicable Federal, State, and local codes. To be eligible, a structure, or portion thereof, must be residential and contain one or more code violations. Any portion of the structure which is non-residential and containing code violations must be corrected at the owner's expense (CDBG funds may not be used for this portion). This work must be accomplished in conjunction with the eligible portion of work. **Note: CDBG funds may not be put into any structure unless the entire structure is brought up to code.**

**G. Prioritization Standards:** After a homeowner has been determined to be income eligible, his/her home will be inspected by a Rehabilitation Specialist for code and energy related deficiencies. To ensure that the program will address the most seriously blighted properties and most needy households, a point system has been developed to

rank each applicant. Points will be given for critical code violations (defined in 105 CMR 410.750 as those "conditions deemed to endanger or materially impair the health, safety, or well-being of an occupant"), other health and safety code violations, household income, number of dependents, single parent households, handicapped family members and elders. Properties with the highest point totals will be given priority and served first. In an emergency situation (e.g. failed heating system in winter), priority will be given to that homeowner and critical violations will be corrected.

#### **IV. PROJECT FEASIBILITY**

##### **ALL CODE VIOLATIONS MUST BE CORRECTED WITHIN A STRUCTURE**

The Housing Rehabilitation Program is a moderate rehabilitation program, not a substantial rehabilitation program. Upon completion of a site visit, the Rehabilitation Specialist will prepare a detailed write-up and cost estimate. If the cost estimate reflects that the dollars needed far exceeds the program limit, the project will be deemed unfeasible due to lack of funds necessary to bring your structure up-to-code. You will be notified in writing that the City of Greenfield will not proceed with your project. You may appeal this determination by providing the City of Greenfield with acceptable documentation that you have access to the extra funds (i.e. commitment letter from a lending institution etc.) needed to complete your project.

If the work list exceeds the program dollar limit for your project, the Rehabilitation Specialist will first work with the contractor to see if alternative procedures can be performed to lower the bid amount while at the same time accomplishing the primary goal of correcting all code violations. If this is not successful, the City of Greenfield will not proceed until either the project bids fall within the program funding limits or the applicant secures additional private dollars.

#### **V. OTHER PROGRAM REQUIREMENTS**

##### ***A. Rental Agreements: This Only Pertains to Owner Occupied (up to 4 units) Multi-Family Properties.***

The program will require all participating owners (owner-occupants of multi-family properties) to execute rental agreements. The Rental Agreement restricts rent levels in accordance with the HUD Fair Market Rents for fifteen (15) years (fifteen years (15) begins at completion of the rehabilitation of units assisted through this program). The rental agreement requires that:

1. Low- and moderate-income people must occupy units rehabilitated through the program for fifteen (15) years following the rehabilitation completion.
2. Rent levels exceeding HUD Fair Market Rents prior to receiving program assistance must be lowered to the specified HUD Fair Market Rent levels. Any increase in this base rent for a period of fifteen (15) years must be solely and directly due to the improvements and cannot exceed the established U.S.

Department of Housing and Urban Development Annual Adjustment Factor; nor shall rent levels exceed US Department of Housing and Urban Development's Fair Market Rents.

3. The owner is eligible to apply for an increase one (1) year after the completion of the rehab work. The owner must request any increase in writing addressed to the Grant Administrator for the City of Greenfield and must submit documentation of said request. **Rents cannot be increased without prior written approval from the City's Grant Administrator for the City of Greenfield.**
4. If a unit is presently vacant or becomes vacant, the owner must not commit tenancy to any person until the Community Development Administrator has submitted to the owner approval in writing that their prospective tenant is low/moderate income and therefore eligible to become a tenant of said unit.
5. The owner(s) must also agree to notify the City in writing prior to any sale or transfer of said property **which shall be contingent upon the transfer of the rental agreement to the new owner(s) for the remainder of the term.**

If any of the terms of the rental agreement are breached by the owner, the owner must reimburse the City of Greenfield the amount of the Deferred Payment Loan plus penalty charges as recorded and must make the promissory note evidencing the Loan immediately due and payable at the option of the holder.

The owner, at the closing of the rehabilitation loan, will sign a rental agreement for each unit.

**B. Affordable Housing Restriction Rental Agreement *This Only Pertains to Investor-Owned Properties:***

The purpose of Affordable Housing Restriction (AHR) is to assure that the Premises will be retained as affordable housing for occupancy by low- and moderate-income persons for fifteen (15) years from time of completion of the project. The City and DHCD regulate the use, occupancy and transfer of the Premises. Please refer to the Affordable Housing Restriction Rental Agreement for more information.

**C. Relocation/Displacement:** A rehabilitation project may include removal (deleading) of lead paint, asbestos or other extensive rehabilitation work to a unit. If this occurs, it may not be feasible for tenants to remain in their unit(s) and they may need to be temporarily relocated during the abatement process or rehabilitation work. If a full deleading job is being done on that unit the occupants **will be required** to temporarily vacate their unit.

The landlord(s) will be responsible for developing and carrying out an approved relocation plan for their tenants and will be required to pay all reasonable costs

associated with the relocation of his/her tenants. The plan will include but is not be limited to:

1. Where the tenants will be relocated to.
2. How their meals will be paid for.
3. If their transportation needs will be different during relocation, how to meet those needs, how the cost will be paid.
4. Other reimbursable expenses which are specific to this relocation and how they will be paid for.
5. Approximation of length of time tenants will be temporarily relocated.

The landlord will be responsible for paying all costs that are over and above what their tenants currently pay. Included in those costs are hotel/motel costs, meal reimbursement, transportation costs over and above what the tenants usually pay. The landlord will pay the motel/hotel directly. The landlord will be required to reimburse tenants for any reasonable out-of-pocket expenses associated with the temporary relocation plan. The City of Greenfield must approve any temporary relocation plan and must ensure it meets all relocation requirements under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and Section 104(d) relocation requirements. Landlords will be required to pay for any utilities being used in any tenant's unit while the tenant is temporarily relocated.

In brief, the following Residential Relocation Assistance Plan has been adopted by the City of Greenfield:

In the event of temporary relocation, efforts will be made to temporarily relocate tenants into vacant units on the same property - if this is not feasible, tenants will be relocated into alternative housing (i.e. hotel) and the tenant's reasonable out-of-pocket expenses resulting from the relocation will be reimbursed by the landlord.

1. As early in the process as feasible, all tenants will be issued a "Notice of Right to Continue Occupancy" informing them that they will be permitted to continue their tenancies. Tenants receiving this notice may either be temporarily relocated or, if the work is limited, expected to remain in their original units while rehabilitation work is going on.
2. As soon as the project is contracted, tenants who will be temporarily displaced will receive "Temporary Relocation Notification" with specific instructions regarding their temporary displacement.

**D. Lead Paint:** New federal regulations mandate that any lead based paint **must** be brought under "interim control" at the very least. In most cases full abatement will occur.

1. **LEAD PAINT IN ANY HOUSE BUILT PRIOR TO 1978:**

If you have a house that was built prior to 1978, HUD program guidelines require lead hazards to be addressed. Only a certified lead inspector is allowed to

perform an inspection of your property. This inspection will list lead paint that needs to be stabilized through this program. Our staff will arrange for this inspection and the program will pay for the cost of it. If you are successful in completing the rehab process and work is under construction, you may not remain in a structure that is being abated - it will be necessary for you to vacate the structure until the abatement process is completed.

Please Note: **Owners are not eligible for relocation benefits.** If you have tenants, see Displacement/Relocation Section of this handbook.

2. **ONGOING MAINTENANCE:**

It is the homeowner's responsibility once a property is determined to be lead safe that it remain lead-safe.

**E. Septic Systems:** If your work list contains the installation/repair of a septic system, the following guidelines must be adhered to:

1. Contact a registered engineer to obtain a perc test and design plans for your septic system. NOTE: Some engineers will delay their billing until the loan has closed if they are informed you are going through our program. Others will require payment before they will start engineering. If the latter is the case, this will be your expense - the program cannot reimburse you for any work performed. Estimated engineering costs range from \$450 - \$1,500+.  
**Additionally, if the design engineer does not incorporate fees (i.e. Board of Health) as part of his/her proposal, they will be your responsibility.** Reminder: funds expended prior to closing of the loan are not eligible for reimbursement. If you do not receive a deferred payment loan you will be responsible for all costs incurred to date.
2. Upon receipt of your design plans, send a copy to the City of Greenfield for their review. NOTE: This is important; occasionally there are circumstances that require additional specifications, which would involve other contractors (i.e. plumber).

**NOTE: Please be aware that your loan is not guaranteed at this time.** You still are required to have bids on every item on your work list (this should be done in conjunction with the septic process). The City of Greenfield will not proceed with your project until all bids are received on the entire project.

**F. Homeowner's Insurance/Flood Plain Insurance:** Prior to closing a Housing Rehabilitation Loan, you are required to have homeowners insurance on the property being rehabilitated. From the date of the loan closing, the City of Greenfield must be listed as a mortgagee on the property insurance.

Further, according to federal regulations, if a rehabilitation project is located within the 100 year flood plain, the owner of the property must also carry flood plain insurance in accordance with the Flood Plain Disaster Act of 1973 (P.L. 93-234).

The City of Greenfield will verify each property against the flood plain maps and if located within the flood plain the owner will be required to carry flood plain insurance prior to proceeding with the rehabilitation loan.

NOTE: A flood plain is described as a plain bordering a river, subject to flooding.

**G. Historic Preservation:** Federal Regulations require that a proposed rehabilitation structure deemed to be listed or eligible for listing in the National Register of Historic Places must conform to the Secretary of the Interior's Standards for Rehabilitation (36 CFR 67).

If the property is of historic significance, the Rehabilitation Specialist will follow the recommended procedures and guidelines for rehabilitating a structure's exterior (i.e. windows, roofs, masonry).

The contract specifications for all projects will be forwarded to the Massachusetts Historical Commission for their approval prior to proceeding with the proposed rehabilitation project.

**H. Contractor's Insurance & Licenses:** Any contractor performing work through the City of Greenfield's Housing Rehabilitation Program is required to carry General Liability Insurance. The minimum insurance requirements are as follows:

- 1) \$100,000/\$300,000 Contractor's Bodily Injury
- 2) \$50,000/\$100,000 Property Damage Insurance
- 3) \$xx,xxx Massachusetts Worker's Comp

Further, contractors must maintain the applicable license(s) necessary to perform work (i.e. Building, Plumbing, Electrical, Home Improvement Contractor's Registration, etc.) throughout any Housing Rehabilitation Project

**I. Permits:** It is the responsibility of each contractor to secure any required permit(s) for work performed through the Housing Rehabilitation Program. **Under no circumstances should the owner(s) apply for the required permit(s).**

Upon completion of the work, the contractor must submit to the City of Greenfield a "Final Inspection Form" signed by the appropriate City inspector concurring that the work is in compliance with all applicable State building, plumbing, gas, electrical and/or health codes. The Rehabilitation Specialist will attach Final Inspection Forms to any contract that requires a permit. Final payment will not be made to a contractor until the City of Greenfield is in receipt of the signed Inspection Form.

**J. Change Orders:** During the construction phase, unforeseen work can arise that requires immediate attention before proceeding with the contract as written. At this point, all work must stop; the owner and/or contractor must immediately contact the City of Greenfield's Rehabilitation Specialist. The Rehabilitation Specialist will discuss the change with the owner and contractor. Upon arriving at a solution, the Rehabilitation Specialist will recommend a change order to the contract - both the owner and contractor must execute this change order. The change order's approval is subject to the availability of funds.

Owners and/or contractors may feel that an item is too small to bother with the paperwork - reminder, no change is ever too small. Past experience indicates most problems between the contractor and the homeowner arise when "side deals" are made and a change order was not issued.

**NOTE:** Under no circumstances should the owner and contractor make any changes to the original contract. **The City of Greenfield WILL NOT ISSUE ANY PAYMENTS FOR WHAT IS NOT ON THE CONTRACT - THIS WILL BECOME THE OWNER'S EXPENSE OVER AND ABOVE THE LOAN AMOUNT.**

**NOTE: OWNER AS CONTRACTOR:** The homeowner acknowledges, understands and accepts that he/she shall not be paid or reimbursed any monies through this program under any circumstances for labor performed by Homeowner and/or materials purchased by Homeowner.

**K. Dispute Resolution:** The contractor and owner agree in advance, via executed contract, that in the event either party has a grievance concerning their Agreement, both parties shall abide by the provisions of MGL Chapter 142A §4(a),(e) as follows: MGL C. 142A §4: Private arbitration services program; time for filing claim; appeals. In the event of a dispute, the City of Greenfield shall withhold payment until either (1) the dispute has been resolved under Chapter 142A §4 with no further rights of appeal or (2) written authorization for payment is received by the City of Greenfield signed by both parties. Owner and contractor shall hold the City of Greenfield harmless for withholding of funds under the conditions of this provision. Unless otherwise agreed in writing, dispute resolution shall not relieve the parties to their Agreement from performance there under.

**L. Power of Attorney:** A property owner whose name appears on the deed and cannot be present at the loan closing is responsible for granting "power of attorney" to another individual giving that named individual authority to sign loan closing documents on that owner's behalf. If this situation is applicable to you, contact your attorney well in advance of the loan closing to secure the required "power of attorney" document. The City of Greenfield requires this document be on file prior to scheduling a loan closing.

**M. Notice of Right of Rescission:** This document allows an owner-occupant to cancel the loan within three (3) business days after the loan closing. If for any reason, you change your mind about this loan, you have three (3) business days to rescind (withdraw) the loan.

To rescind, sign in the space provided on the Notice of Right of Rescission form or you may use any written statement that is signed and dated by you and states your intention to cancel and send to the City of Greenfield by the date indicated on the notice. However, if you rescind, any payment for work performed is your responsibility and will not be paid by the Housing Rehabilitation program.

Once you have decided to move forward with your loan and returned the "Notice of Right of Rescission" to the City of Greenfield, an "Authorization to Proceed" notice will be sent to the contractor(s). The contractor(s) may begin work as soon as they receive the Authorization to Proceed.

**N. Subordination Requests:** Subordination requests take effect after a loan has closed and your mortgage is recorded at the Franklin County Registry of Deeds. If you go to borrow money against your property at a later date you will need to request a subordination. The process to request a subordination is outlined below.

The goal of the Housing Rehabilitation Loan program is to enable low- and moderate-income homeowners to make code-related improvements to their homes. The deferred payment loan is used for homeowners who, like yourself, at the time you were granted a full-deferred payment loan, are unable to pay for the improvements or to borrow money from a bank. Another essential part of the program is to "recycle" loan money returned from repayment of these loans to assist other needy households.

When the City of Greenfield receives a request to subordinate its position, we need certain information to evaluate the request in terms of the goals of the Housing Rehabilitation Program. Please submit the following for our review BEFORE you schedule your loan closing.

1. A letter detailing the reason you want the City of Greenfield to subordinate its current position. This must be in writing. ***You must submit supporting documentation.*** For example, if you are requesting a subordination to allow you to borrow money for additional improvements to your home, you must submit a contractor's estimate of the cost of the planned work. This will require the mortgage company/bank to set up a construction escrow account. If you are requesting a subordination to allow you to consolidate existing debt, include proof of the debt(s). Further, if you plan to pay-off credit card debt, state whether you are closing out account(s). For refinancing of your mortgage please provide a current payoff statement. All dollars borrowed need to be accounted for and cash out is not allowed.



2. In your request, clearly demonstrate the amount you are requesting us to subordinate to and explain what these dollars will be used for. Further, outline the position, mortgagee and amount of all recorded liens against the property, as it would stand **if** the City of Greenfield subordinated its position per your request.
3. A Letter of Commitment from the lender who wishes us to subordinate as well as a Good Faith Estimate or HUD Statement.
4. A current appraisal of your property or assessed value.
5. Authorization to Release Information -If you wish for us to speak with your lawyer or bank.

Submit the above to: The City of Greenfield

Community & Economic Development Department  
14 Court Square  
Greenfield, MA 01301

*Subordinations are **not granted** on a routine basis.* Each request is evaluated based on program goals. The City of Greenfield will render a decision within ten (10) working days of receipt of **all** required documentation. Your request **will not be reviewed** until **all required information is received**. Please be advised that it is your responsibility to ensure that all required information is received by the City of Greenfield. Requests for subordination received **AFTER** the loan closing will **NOT** be reviewed.

**O. Forgiveness Policy:** The City of Greenfield's forgiveness policy for hardship or emergency cases is as follows:

1. The homeowner submits their request in writing to the City of Greenfield along with justification for the request to subordinate to another mortgage or discharge a mortgage.
2. The request is reviewed by the Community Development Administrator for authenticity. If any further documentation is needed, it is requested.
3. Upon completion of the review process, a recommendation is submitted to the City of Greenfield's Mayor, who makes a decision based on all information provided.
4. A favorable decision results in a subordination or discharge (whichever is appropriate) of the City of Greenfield's mortgage.

**P. Repayment:** The Housing Rehabilitation Deferred Payment Loan may be repaid in full anytime; there is no prepayment penalty. Demand for payment is made only if you sell or transfer the property or breach an agreement made as part of your receiving a Housing Rehabilitation Deferred Payment Loan. It is the homeowner's responsibility to contact the City of Greenfield when the property is being sold or transferred. If there are two parties on the deed and the two parties transfer to one of the parties, the loan would not be required to be paid back. If the two parties transfer to a third party, then the loan would have to be paid at that time. The owner(s) may petition the City to allow the loan/mortgage to be transferred to a family member who intends to occupy

the home as their primary residence and whose income does not exceed the HUD income guidelines at time of transfer.



William F. Martin  
Mayor

City of  
**GREENFIELD, MASSACHUSETTS**

**COMMUNITY & ECONOMIC DEVELOPMENT DEPT.**

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Phone 413-772-1548  
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**HOUSING REHABILITATION PROGRAM STEPS**

*Revised September 2019*

**STEP 1: APPLICATION REVIEW**

To apply for a Housing Rehabilitation Loan, you must first fill out an application to the best of your abilities. The completed application must then be returned to the City's Department of Community Development before an informational appointment will be made. The documentation contained on the enclosed checklist should be submitted with your application.

Please understand that Housing Rehabilitation funds are limited, so we need you to return the required documents in a timely manner. Upon receipt of all applicable income and ownership documents, an informational meeting will be scheduled with you. If the issue you have with your home is urgent, please alert our staff to that issue. We may schedule for the Rehab Specialist to inspect the issue to determine if it is an emergency. If you have any questions, please contact the Community Development Administrator by email at [cd\\_administrator@greenfield-ma.gov](mailto:cd_administrator@greenfield-ma.gov), or call 413-772-1548.

All owners who do not live at the property will be sent correspondence and information during the Housing Rehabilitation process unless otherwise requested. However, we would like one homeowner to be designated as the contact person.

**STEP 2: INFORMATIONAL APPOINTMENT**

The homeowner(s) will meet with the Community Development Administrator to review and discuss the Housing Rehabilitation Program guidelines and process.

Please bring a copy of the energy assessment if it was not submitted with your application.

### **STEP 3: INITIAL SITE VISIT/INSPECTION**

1. The Rehabilitation Specialist will call homeowners to schedule an initial site visit to inspect your house.
2. The Rehabilitation Specialist will be inspecting the whole house and will need clear access to each room and level of the house. He will be looking for code related items in need of repair/replacement.  
\*The City encourages all current owners to be present at the site visit.
3. If applicable, please notify your tenant(s) of the date and time of the site visit so the Rehabilitation Specialist can have access to their apartments
4. After the site visit, your application will be ranked according to household income and the condition of the property.
5. Properties in poor condition with lower household income will receive the highest ranking. Higher ranked households will be addressed first. Please note, however, that the Program is a moderate rehabilitation program with a limited budget for each household. If substantial rehabilitation is required to bring your property up to code, your project may be considered infeasible.

At this point your application will be placed in ranked order on the waitlist. When funding is available, you will be contact to confirm you want to proceed with the housing rehabilitation process.

If you choose to move forward, the project proceeds to the next step.

### **STEP 4: WORK LIST PREPARATION**

1. The Rehabilitation Specialist will prepare a “Work List” of code related work to be addressed at your property.
2. “Work Lists” will include a work write up, performance specifications and standards. The Rehabilitation Specialist will review written workup with owner, and owner will sign to approve.
3. If you have any questions or would like to make changes in your Work List you will need to notify the Rehabilitation Specialist to get clarification or discuss any changes to the Work List before the project is put out to bid.
4. When you approve the Work List, you will be asked to sign a “Work List Approval Statement”. By approving the Work List, the City will be assured that all parties agree on what the scope of the project will be.

### **STEP 5: LEAD INSPECTIONS/RISK ASSESSMENTS -**

*Only applies if your house was built prior to 1978.*

- If you have a house that was built prior to 1978, a Full Lead Paint Inspection of your property is mandatory.

### **STEP 6: MA HISTORICAL COMMISSION**

1. An application is submitted to the Massachusetts Historical Commission for their review prior to proceeding with the proposed rehabilitation project.

### **STEP 7: BIDDING PROCESS**

1. The Rehabilitation Specialist, after scheduling with the homeowner, will conduct a bid walk through with contractors. Every attempt will be made to solicit bids from at least three contractors. Bids are due directly to the CEDD Office.
2. The Rehabilitation Specialist will review all bids for completeness and cost accuracy, and will recommend a contractor based on the lowest responsible bid.
3. The Rehabilitation Specialist will confirm availability with the selected contractor, and confirm approval with the homeowner.

### **STEP 8: CONTRACTS**

1. The Community Development Administrator will prepare contracts for your project.
2. These contracts will not be released until the City has received all required insurances and licenses from the contractor(s).

### **ABSOLUTELY NO WORK CAN BEGIN PRIOR TO THE LOAN CLOSING**

### **STEP 9: LOAN CLOSING**

1. Once the loan application is complete and contractor(s) are selected and approved, a loan closing will be scheduled.
2. You will be required to contact your Insurance Agency to notify them that you will be receiving a loan from the City and that the City will need to be added as an additional mortgagee to your policy.
3. All parties on the deed must sign all closing documents. An exception would be if you have a Power of Attorney for one of the homeowners. The Power of Attorney paperwork will need to be in the file prior to the closing.

4. Documents you will sign at the closing are as follows:
  - a. City-Owner Agreement
  - b. Mortgage
  - c. Promissory Note
  - d. Assignment of Funds and Authorization to Disburse Funds
  - e. Contract(s) for the rehabilitation work
  - f. Rental Agreement (if applicable to your project)
  - g. Right of Rescission (giving you three (3) business days to cancel all documents signed at the closing)
5. There is a \$175.00 filing fee at the Registry of Deeds for you loan. This fee will be incorporated into your loan so there will be no out-of-pocket expenses in most cases
6. If you are contributing private funds to the project, these funds will be due at the closing. The funds are payable, by check only, made out to the City of Greenfield.
7. You will need to bring a form of ID (picture ID) with you in order for the mortgage document to be notarized.

#### **STEP 10: CONSTRUCTION**

1. After the three (3) day Right of Rescission period, the City's Community & Economic Development Dept. will send out Notices to Proceed to your Contractor (s).
2. Your contractor(s) needs to start work as soon as possible after the loan closes and complete the work within 120 days (depending on program deadlines) from the date of the Notice to Proceed.
3. If your project includes full lead paint abatement (de-leading), you **cannot** remain in your house while abatement is in progress. The program does not pay for relocation costs for owner-occupants.
4. If tenants of a rental property need to be out of the unit during de-leading, an approved relocation plan will be signed between the tenant and the landlord if necessary
5. Once work has begun on your property, contractors are responsible for submitting bills to the City's Community & Economic Development Department for work that has been completed.
6. The Rehabilitation Specialist will schedule an inspection of the work.
7. If the work is satisfactory to the homeowner and the Rehabilitation Specialist, both the homeowner and the Rehab Specialist will sign an

“Authorization to Disburse” form and the contractor will be paid by the City for that portion of the work.

8. The City’s payment schedule is as follows:

- The City must receive bill(s) by Wednesday at noon
- Inspections will be scheduled on Thursday or Friday of the same week.
- If the work is satisfactory and the homeowner has signed off payments will be mailed to the contractor(s) after noon on Friday of the following week.
- It is the contractor’s responsibility to submit all required inspector sign offs prior to final payments.

**NO FINAL PAYMENT WILL BE ISSUED WITHOUT REQUIRED SIGNOFFS.**

**STEP 11: AFTER CONSTRUCTION IS COMPLETE**

1. If you have any issues with the work completed after the job is done, please contact your contractor directly. If the contractor is unresponsive or if the issue is still unresolved after talking with the contractor, please call the Community Development Administrator to discuss.
2. If you have a rental unit, rents will be monitored annually. If you wish to increase the rent or if you have a change in tenants, you must contact Housing Rehab Program staff for approvals prior to new tenant move-in.
3. The program assistance is a 0% loan (not a grant) and is due back to the City when you sell or transfer the property. If you refinance your first mortgage, you must seek an approval from the City to “subordinate” to the new first mortgage.