



TOWN OF ATHOL

OFFICE OF PLANNING & DEVELOPMENT

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HOUSING REHABILITATION PROGRAM **INITIAL DISCLOSURE**

This notice summarizes the Housing Rehabilitation Program guidelines and requirements for this funding round. There are issues and policies not covered, as each situation is unique and will be discussed in detail with the applicant. If at any time you have a problem or a question, do not hesitate to contact the Office of Planning & Development at the number above.

Eligible Owners and Properties	The properties do not need to be owner occupied. For single family homes where the property owner resides on site, the owner's Gross Household Income must fall within program guidelines (see chart A). If a multi-family dwelling, at least 51% of the occupying households must fall within these program guidelines. Owners should be current on their municipal taxes and charges, and their mortgage. The property must be insured. Flood hazard insurance may be required if the property is located in a flood zone defined by FEMA.
Participants	Income-eligible residents from the Town of Athol will be chosen from a documented wait list on a first-come, first serve basis. When a case becomes the next to be served, they will proceed to income verification, and if they meet income qualification guidelines, they will be contacted and scheduled for a full inspection of their property. The Town reserves the right to prioritize emergency cases when the health and safety of residents is threatened.
Eligible Repairs	Only repairs to correct violations of the Massachusetts Sanitary Code which includes, among other violations, lead paint or asbestos hazards in residential property are eligible. Rental units in owner-occupied properties that have been vacant for more than one year will not be eligible for rehabilitation.
Application	Interested households must complete an application to participate in the program. Their eligibility to participate is determined by verifying their income with documentation.
Property Inspections	The Town's professional Rehab Specialist inspects the property to identify eligible work items, prepares a scope of work for contractors and supervises the bidding process. Addressing lead code, asbestos, and other hazardous materials violations is a priority of the program. Properties built before 1978 must comply with current State and Federal lead laws. If a hazardous level of lead paint is found, the dwelling unit must achieve compliance to meet State requirements, and clearance to meet Federal requirements.
Amount of Funding	The Program can provide up to \$40,000 per housing unit for eligible repairs. Fees for Lead Risk & Assessment tests and relocation as well as legal are included in this amount.

Loan Terms	Funds will be made available as Deferred Payment Loans (DPL's) at a % due back upon sale or transfer of the property. The Loan will require that the rehabilitated unit(s) remain affordable for a minimum of fifteen years. 25% of the principal will be forgiven at the 5 th anniversary of contract signing, and an additional 5% of the original loan amount will be forgiven at each of the nine (9) subsequent anniversaries of the contract signing, with the remaining 30% forgiven at the 15 th anniversary. The balance of the loan not yet forgiven will be due if the property is transferred from the original applicants before the 15-year affordability period is complete; this will be enforced by a lien.
Relocation	In order to protect the health and safety of residents, it will be necessary for occupants to vacate the premises during de-leading. If necessary, the program will arrange for tenant and/or owner relocation to a local motel and give a per diem amount for food, with the relocation costs added to the total loan.
Bidding and Contracting	Contractors registered in the Athol Rehab Program review the scope of work at a bid showing conducted by the Rehab Specialist and submit a competitive, sealed bid. Contractors must be properly licensed, insured and have a satisfactory performance history to participate in the program. The lowest bid is awarded the contract between the Owner and the contractor, and the loan amount to the Owner is based on this lowest bid. Owners may choose one of the higher bids from the competitive bid, but must pay the difference in price, but only under extraordinary circumstances and with the approval of the Planning Director. Once a contractor is selected, the homeowner enters into a formal contract for the work. Any changes to this contract and the scope of work must be approved by the Town and the Owner. The Rehab Specialist inspects the project periodically for progress payments, and approves pay requisitions for the contractors from the CDBG loan funds as the work progresses and is completed.
Maximum Loan	\$40,000 per dwelling unit. Contingent upon the all existing mortgages and the program loan should not exceeding 90% of the property value unless there are extenuating circumstances.
Loan Stipulations	Property owners must, maintain the completed project in good order, pay their mortgage and municipal taxes and charges on time, and keep the property insured.
Rental Units	If the property has rental units the owner must sign and record a rent control agreement limiting rent increases for fifteen years and agreeing to rent to tenants whose Gross Household Income meets guidelines.
Tenant Notification	Tenants will be required to complete an application to verify household income, will be notified separately in writing about the restrictions on rent increases, and will receive a copy of Tenant Lead Law Notification.
Recapture	If the owner fails to observe the loan conditions, the program can initiate foreclosure proceedings to recover the loan funds. If the owner sells, transfers or conveys the property during the fifteen year loan term the entire loan principal is immediately due and payable.
Monitoring	Program staff monitors the project during construction and has the right to conduct property inspections after completion to ensure the owner is complying with the loan terms. Owners agree to assist the program staff with monitoring and compliance.

Subordination to Other Loans	The program may subordinate or forgive loans on an individual basis for circumstances such as hardship/emergency cases, including transfer to family members and refinancing. The amount owed must be covered by the existing equity.
Grievance Procedure	A party participating in a CDBG-funded activity who has a complaint about the way their case was handled or the quality of service received may seek a resolution of their complaint using the Grievance Procedure.
Other Program Items and Requirements	The program will only contribute towards the cost of work contained in the approved work write-up which addressed sanitary code violations only. The Owner must wait until the Rehab renovation work has been completed and signed off before proceeding with other renovations to the property. Each property must have the proper permits prior to commencing construction. This includes the Town's consultation with the Mass. Historic Commission.

CHART A – HUD 2022 Income Guidelines

Number of persons in household	With gross annual income less than...		Number of persons in household	With gross annual income less than...
1	\$54,750		5	\$84,450
2	\$62,550		6	\$90,700
3	\$70,350		7	\$96,950
4	\$78,150		8	\$103,200

The program reserves the right to establish priorities or waiting lists, to adjust or limit work items, to reject non complying applications, or to amend these terms without further notice. Work must conform to applicable building codes, regulations and program guidelines. Funding comes from a Massachusetts Community Development Block Grant administered by the Department of Housing and Community Development and the Town of Athol.

I/we acknowledge receipt of this disclosure notice.

Owner

Date

Owner

Date