

Best Practices for Managing Rehabilitation Projects

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Fixing a home in disrepair is a staple of the State Housing Initiatives Partnership (SHIP) program. SHIP funds are used to make life and safety repairs to homes owned by low income older Floridians, families living in substandard conditions, and people in need of retrofits to enable persons with disabilities to live safely in the house. And while homeowners in need of repairs are very grateful for the assistance of the SHIP program, there can be a great deal of frustration during the rehab process.

To provide guidance for a smooth rehab process, the Florida Housing Coalition, pursuant to the Catalyst Program administered by the Florida Housing Finance Corporation, produced a The Residential Rehabilitation Guide and Contractor Handbook.

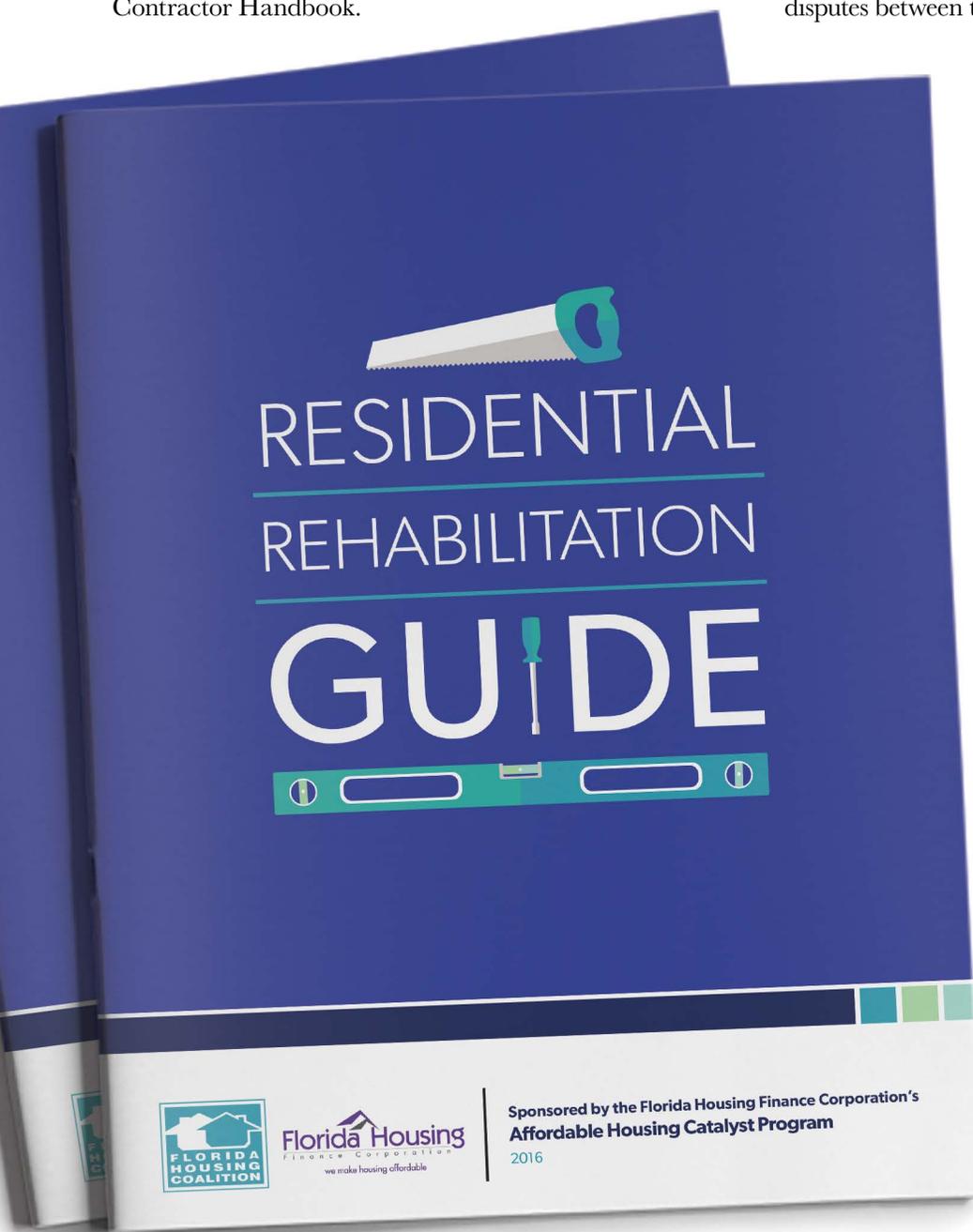
There are a number of reasons for disputes during the renovation process, including homeowners wanting the contractor to make more repairs or changes that were not approved for funding from SHIP. While it is not possible to avoid all disputes between the owner, contractor, and SHIP staff, the

most effective way to successfully avoid disputes is clear communication upfront. A clear understanding of the duties and roles of all parties involved, the complexity and inconvenience that can be caused during the repair process, the limits of the program, and the policies and procedures that outline the process are the keys to a successful rehab program.

Practices for Local Government to Implement

1. Identify the roles and responsibilities of each party. Each party should know their role, understand where their responsibility starts and ends, and understand the limits imposed by the program. Some of the parties involved in the process include:

- City or county
- Sub-recipient, if any
- Sponsor, if any
- Program Inspector
- Building Inspector
- Owner
- Contractor
- Subcontractors



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2. Develop policies and procedures explaining the roles and responsibilities of each party, including a process for handling complaints.

3. Provide the owner with clear information about the program early in the process, before the owner submits an application.

4. A mandatory pre-bid meeting and walk-through should be used to review the scope of work and clarify any changes that will be made prior to opening the bid. The owner, inspector and contractors who intend to bid on the project should be present.

5. The written agreements between the City/County/ Agency and the owner, and between the owner and the contractor, should clearly identify the roles of all parties and the process for handling complaints and disputes.

6. When the contract is signed with the homeowner and the contractor, this is another important opportunity for SHIP program staff to review all documents, discuss the process, and answer any questions related to the program.

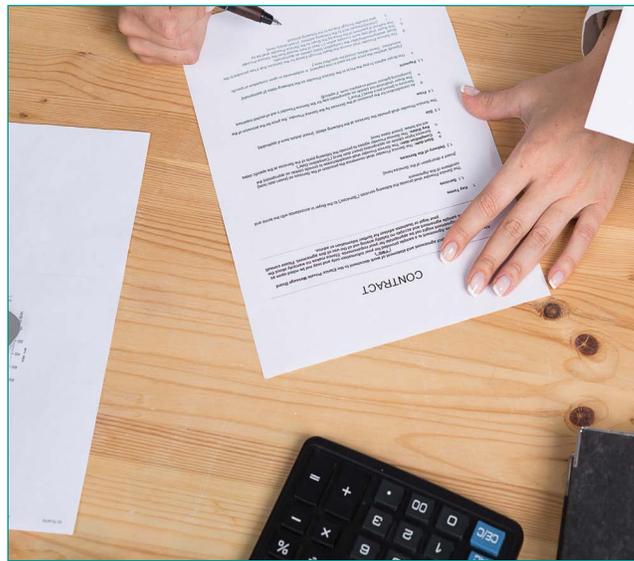
7. Consider developing a temporary relocation policy that will allow the applicant to move when major improvements are being performed on the home. The cost of temporary relocation can be included within the maximum award.

Communication is key.

Selecting staff with good communication skills improves the success of your program. The intake counselor should have a clear understanding of the rules of each

program, and should communicate them to prospective applicants. Additionally, the intake counselor should use a prescreening checklist to make a preliminary eligibility determination for each client before providing them with an application. The inspector should also have good communication skills, with the ability to respond calmly to difficult situations and clearly communicate the next steps. The inspector should be able to exercise patience, perseverance, and attention to detail in investigating a problem, and should be proactive in developing a plan for corrective action. Specifically, the inspector should be able to:

- Identify root causes of problems.
- Gather and analyze information when developing alternative solutions.



- Support and explain reasons behind decisions.
- Include appropriate people in decision-making.
- Ask for help when needed.
- Exhibit integrity and ethical behavior at all times.
- Exhibit tact and avoid alienating the homeowner.
- The inspector should have a keen sense of what to say or do to avoid giving offense in delicate situations.
- Be considerate but firm

when dealing with others, ensuring that program rules are enforced and the project is completed in a timely manner.

- Exhibit empathy and respect for people of all cultures, races, and economic backgrounds, and those with disabilities or special needs.

The purpose of the Residential Rehabilitation Guide and Contractor Handbook is to assist local State Housing Initiatives Partnership Program (SHIP) Administrators working with contractors to implement Rehabilitation Programs funded by SHIP.

This Handbook is a tool to be used by SHIP Administrators, sponsors, and partners as a guide for selecting and working with contractors under the City/County/Agency's SHIP Rehabilitation Program and other housing programs. It provides customizable templates that may be used to create policies, procedures, forms, and guidelines under a Rehabilitation Program. Users of this Handbook may adapt it to be consistent with the locally adopted and approved Local Housing Assistance Plan, program Policies and Procedures, and other local laws and requirements.

The Handbook consists of three parts:

Part I provides an overview of SHIP rehabilitation program design, administration, and operation. Guidelines are provided for determining the nature and scope of your local rehabilitation programs:

- Forming partnerships with sub-recipients, sponsors and other local entities;
- Recruiting, selecting, and working with contractors;
- Conducting inspections;
- Preparing work write-ups;
- Creating rehabilitation standards and specifications;
- Incorporating elements of green building, universal design/visibility, and disaster mitigation in rehabilitation activities;
- Avoiding disputes, conflicts of interest, and other pitfalls; and
- Preparing effective written agreements.

Part II is a template for a Contractor Handbook that outlines policies and procedures for contractor selection and participation in a local SHIP Rehabilitation Program. These policies and procedures represent best practices for collaboration between SHIP Administrators and contractors for home rehabilitation, but may be changed and customized to reflect local

needs, preferences, and ordinances. In customizing Part II, the SHIP Administrator should also fill in the blanks with project details and project-specific requirements, and should replace certain bold, italicized, and/or underlined text elements with the appropriate terms for the entity that administers the local SHIP Rehabilitation Programs.

Part III consists of templates for forms and documents that are commonly used in SHIP Rehabilitation Programs, including:

- Contractor applications;
- Pre-bid walkthrough sheets;
- Agreements among contractors, property owners, and local governments;
- Draw request forms; and
- Mortgage documents for SHIP rehabilitation assistance.

These forms should be adapted as necessary to reflect local government circumstances. Any form or document that is referenced in the main body of a local government's Contractor Handbook, as adapted from Part I of this document, should be included as an attachment, appendix, or exhibit in the Contractor Handbook.

This Handbook focuses primarily on owner-occupied rehabilitation programs, but most of its provisions are applicable to SHIP rental rehabilitation programs. When adapting this Handbook and the sample forms in Part III for use in rental rehabilitation programs, provisions addressing homeowners should be adjusted to apply to rental property owners.

View the entire Handbook by going to the Florida Housing Coalition website www.flhousing.org to download the 2016 Residential Rehabilitation Guide and Contractor Handbook at this link: http://www.flhousing.org/?page_id=8290 



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AIDA ANDUJAR provides training and technical assistance for the Florida Housing Coalition, nationally and statewide. Aida has 30 years of experience with all aspects of affordable housing program administration, including 25 years of responsibility for administration and implementation of state, federal and local housing grants awarded to local governments. She speaks and writes fluent Spanish. She is a licensed Realtor and holds a Master's degree in Public Administration from Florida International University.