

# The Rehabilitation Emergency Repair Process Part 2

Sponsored by the  
Florida Housing Finance Corporation's  
Affordable Housing *Catalyst Program*

Florida Housing Coalition  
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This 3-part webinar series replaces the Rehabilitation Emergency Repair Process workshop scheduled for April 9 in Palm Beach County which was cancelled.

**The Rehabilitation/Emergency Repair Process: PART 1 April 9 at 10:00 am**

REGISTER: <https://attendee.gotowebinar.com/register/1143447418711292428>

The rehabilitation process requires housing administrators and their staff work with homeowners, contractors, building inspectors, local officials, and funders. Understanding each of these groups and learning to work with them helps to avoid some of the problems that are commonly encountered in rehabilitation programs. This webinar will focus on the rehabilitation process, program design, policies and procedures, staffing and partners.

**The Rehabilitation/Emergency Repair Process: PART 2 April 13 at 2:00 pm**

REGISTER: <https://attendee.gotowebinar.com/register/6425705787710000140>

Understanding each of these groups and learning to work with them helps to avoid some of the problems that are commonly encountered in rehabilitation programs. This webinar will focus on the pre-bid process, the scope of work, and the inspection process.

**The Rehabilitation/Emergency Repair Process: PART 3 April 14 at 2:00 pm**

REGISTER: <https://attendee.gotowebinar.com/register/5246698369735841547>

This webinar will focus on change orders, finding qualified contractors, the importance of written agreements, recordkeeping, compliance, monitoring, and program pitfalls.

# Our Thanks to the Florida Housing Catalyst Program



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Finance Corporation**



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# Catalyst Training Schedule

A banner for SHIP Catalyst Training. On the left, a photo shows a woman smiling and pointing at a document, with a man looking on. To the right, a teal overlay contains the text 'Fine Tune Your SHIP Program', 'REGISTER NOW FOR', and 'CATALYST TRAINING' in large white letters. The SHIP logo is on the left side of the banner.

Fine Tune Your SHIP Program  
REGISTER NOW FOR  
**CATALYST  
TRAINING**

SHIP  
housing a stronger Florida

Register Now for SHIP Catalyst Training!

The Coalition is Florida's affordable housing training and technical assistance provider.

[www.flhousing.org](http://www.flhousing.org)

**1-800-677-4548**

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# Catalyst Trainings

[About](#) ▾[Our Expertise](#) ▾[Trainings](#) ▾[COVID-19](#)[Advocacy](#)[Publications](#)[Resources](#)

## Trainings

### 2020

Creating a Paperless SHIP Program – [Recording](#) – [PowerPoint](#) – *Feb. 27, 2020*

The Credit Underwriting Process – [Recording](#) – [PowerPoint](#) – *Feb. 10, 2020*

Financing and Monitoring Rental Housing with SHIP – [Recording](#) – [PowerPoint](#) – *Feb. 3, 2020*

SHIP File Documentation Part 2 – [Recording](#) – [PowerPoint](#) – *Jan. 22, 2020*

SHIP File Documentation Part 1 – [Recording](#) – [PowerPoint](#) – *Jan. 9, 2020*

### 2019

New Construction Strategies and Partnerships – [Recording](#) – [PowerPoint](#) – [CLT Homebuyer Education Module](#) – [Model CLT DPA](#)

Affordable Housing Innovations in HB 7103 – [Recording](#) – [PowerPoint](#) – *July 22, 2019*



# Webinar Logistics

- Participants are muted
- Enter your questions in the box in your webinar panel
- Forgot to ask a question or want to ask privately?

Email [andujar@flhousing.org](mailto:andujar@flhousing.org)

This webinar is being recorded and will be available at  
[www.flhousing.org](http://www.flhousing.org)

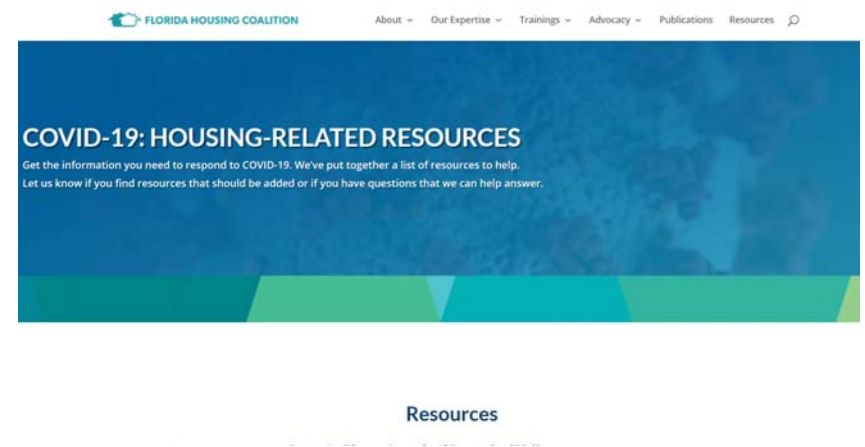
- A survey will immediately follow the webinar; ***please*** complete it!  
Thanks!

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# COVID-19 UPDATES

- Every Thursday from 1:30 pm to 2:30 pm.
- Go to this link to register:  
<https://www.flhousing.org/covid-19-housing-related-resources/>



## US Department of Homeland Security Guidance on the Essential Critical Infrastructure Workforce: Ensuring Community and National Resilience In COVID-19 Response Version 2.0 (March 28, 2020)

Workers such as plumbers, electricians, exterminators, builders, contractors, HVAC Technicians, landscapers, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences, businesses and buildings such as hospitals, senior living facilities, any temporary construction required to support COVID-19 response.

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# GOVERNOR'S EXECUTIVE ORDER 20-91

The Governor's Executive Order took effect Friday, April 3, 2020, at 12:01 a.m. It lasts until Thursday, April 30, 2020, unless extended.

Workers supporting the construction of housing, including those supporting government functions related to the building and development process, such as inspections, permitting and plan review services that can be modified to protect the public health, but fundamentally should continue and serve the construction of housing (e.g., allow qualified private third-party inspections in case of government shutdown).

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# EXAMPLES OF ESSENTIAL SERVICES

- Contractors and other tradesmen, appliance repair personnel, exterminators and other services needed to maintain a residence.
- Open construction sites.
- Architectural, engineering or land surveying services.
- Workers who support the construction of housing, including those supporting government functions relating to the building process, such as inspections, permitting, and site review.
- Workers to ensure the continuity of building functions.
- Workers who support the supply chain of building materials.
- Workers in hardware and building material stores.

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# COVID-19 and Rehabilitation Strategies

- Review current status of rehabilitation projects.
- Reach out to contractors and homeowners.
- Talk to your building inspectors and officials to determine if a new inspection process has been implemented.
- Determine if project will be completed on time or will be delayed?
- Based on the information received, can the work be completed on time to comply with statutory deadlines for expenditures and encumbrances?

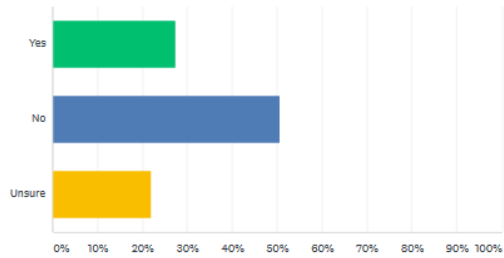
## Questions about Encumbered Funds

What Rehab and New Construction Encumbered Projects will be quickly completed?

- Reassign delayed projects to another allocation
- Shift funds to Rent/Mortgage Assistance

Do you anticipate having difficulty complying with the June 30, 2020, expenditure deadline for 17/18 SHIP funds? If so, how will you overcome it?  
(Write in comment box for final question below)

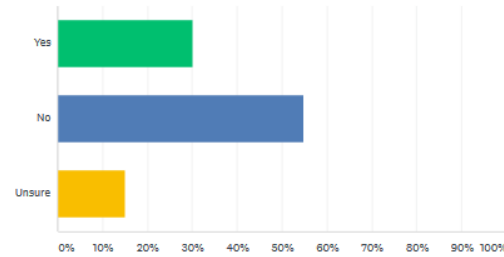
Answered: 73   Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	27.40%	20
No	50.68%	37
Unsure	21.92%	16
TOTAL		73

Do you anticipate having difficulty complying with the June 30, 2020, encumbrance deadline for 18/19 SHIP funds?

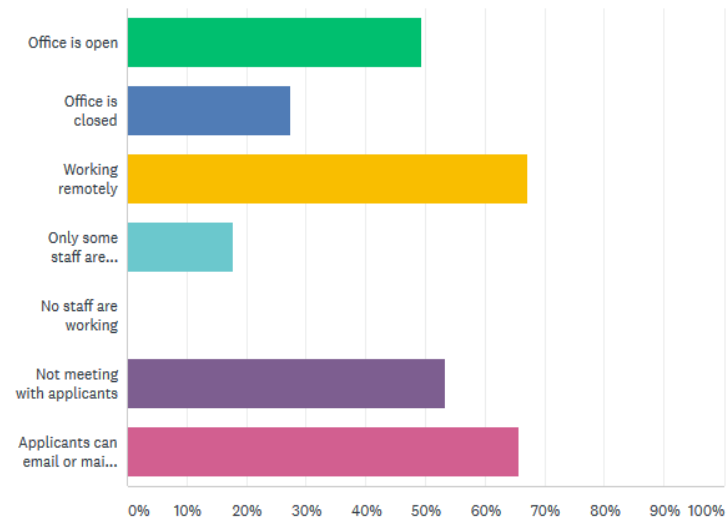
Answered: 73   Skipped: 0



# SHIP Survey Responses

What is the status of your SHIP office? Check all the following that apply

Answered: 73 Skipped: 0

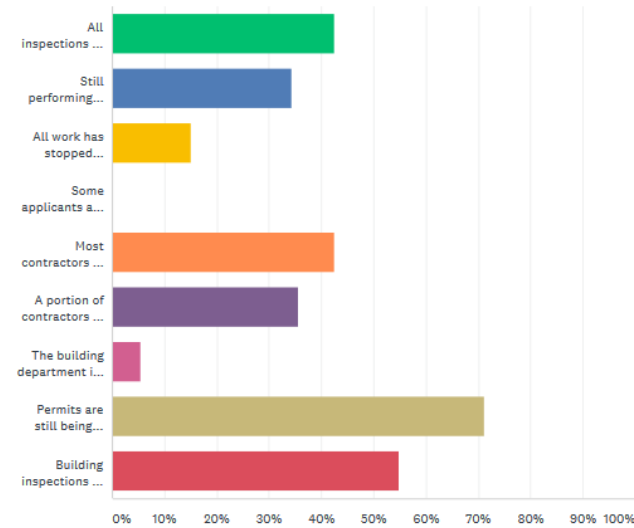


ANSWER CHOICES	RESPONSES	
▼ Office is open	49.32%	36
▼ Office is closed	27.40%	20
▼ Working remotely	67.12%	49
▼ Only some staff are working	17.81%	13
▼ No staff are working	0.00%	0
▼ Not meeting with applicants	53.42%	39
▼ Applicants can email or mail applications and supporting documents	65.75%	48
Total Respondents: 73		

# SHIP Survey Responses

What is the status of your SHIP home rehabilitation work? Check all the following that apply

Answered: 73 Skipped: 0



ANSWER CHOICES	RESPONSES	
▼ All inspections and pre-bids meetings temporarily cancelled	42.47%	31
▼ Still performing inspections and pre-bids	34.25%	25
▼ All work has stopped temporarily	15.07%	11
▼ Some applicants are displaced from their homes	0.00%	0
▼ Most contractors are still working	42.47%	31
▼ A portion of contractors are still working	35.62%	26
▼ The building department is closed, no permits or inspections	5.48%	4
▼ Permits are still being processed	71.23%	52
▼ Building inspections are still being performed	54.79%	40
Total Respondents: 73		



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# Housing and Assistive Technology, Inc.

## “HAT” Qualifications

- DESCRIPTION OF HOME INSPECTION SERVICES
- Methods of Customer Satisfaction & Clear Communication
- Conflict Resolution

## “InterNACHI’s Free On-line Course – “COVID-19 Safety Guidelines for Home Inspectors Course”

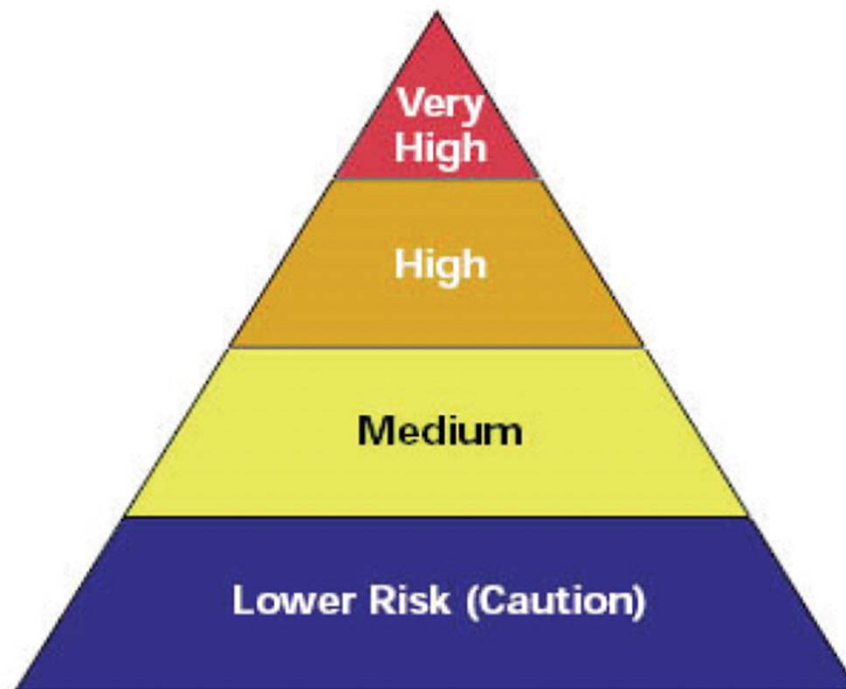
Free online course: [www.nachi.org/covid-19-safety-standards.htm](http://www.nachi.org/covid-19-safety-standards.htm)

1. Ensure you and the homeowner are not sick
2. Minimize the risk of face to face meetings by using contact safe distancing.
3. Take Precautions to Protect others;
4. Avoid touching your eyes, nose and mouth with unwashed hands.
5. Wear a mask if you’re sick.
6. Cleaning and disinfecting touched surfaces .
7. PPE-Personal Protective Equipment
8. Following the guidelines on the use of protective clothing and equipment
9. Keep informed
10. The on-site Bid Meeting can take place outside of the home

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## Occupational Risk Pyramid for COVID-19




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# Other Resources

- Occupational Safety and Health Administration website: [www.osha.gov](http://www.osha.gov)
- Centers for Disease Control and Prevention website: [www.cdc.gov](http://www.cdc.gov)
- National Institute for Occupational Safety and Health website: [www.cdc.gov/niosh](http://www.cdc.gov/niosh)
- [EPA's Coronavirus Site](#)
- [CDC's Coronavirus Disease 2019 Site](#)
- [CDC's Cleaning and Disinfection Recommendations for COVID-19](#)
- [NPIC 's COVID-19 Virus Factsheet](#)
- <https://shop.vgmu.com/covid-19>
- [www.homeinspector.org/Resources-News/Covid-19-Updates-by-State](http://www.homeinspector.org/Resources-News/Covid-19-Updates-by-State)
- <https://www.fdacs.gov/Consumer-Resources/COVID-19-Information>
- <https://www.natlawreview.com/article/governor-s-executive-order-covid-19-virus-qualifies-natural-emergency-allows-tolling>



# RESIDENTIAL REHABILITATION GUIDE

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# Webinar Series Training Objectives

Learn the steps to running a successful rehabilitation program process

- Evaluate your program design
- Improve relationships between owners, contractors and SHIP staff
- Use best practices to improve program performance
- Learn the importance of work write ups, agreements, and policies and procedures
- Reduce program complaints



# The Home Inspection Process



# Beginning a Rehabilitation Project

## Interview homeowner

- Review program rules
- Set expectations
- Needs vs. wants
- Discuss process
- Loan terms
- Payment process
- Dispute resolution
- Warranty



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# Housing Rehabilitation Standards

- Minimal acceptable final product
- Sets the *parameters* for:
  - Eligible repairs and improvements
  - Housing quality and livability
  - Affordability
  - Neighborhood improvement
  - Asset building

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# Housing Rehabilitation Standards

Draws requirements from local laws and building codes

Example: Kitchen Plumbing

Every dwelling unit will have at least a single bowl kitchen sink with hot and cold water located in the kitchen

*The higher the standard, the higher the cost!*

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# Rehabilitation Specifications

- Basis of rehab design
  - Contractor's instructions for completing a project
  - Rehab specialist's guide to measuring project completeness, adequacy, cost
- Must be precise and specific
- Must be in written form

# Specification Software

## **These programs provide:**

- Consistency in specifications and work detail
- A checklist, change order forms, and cost estimates
- Work descriptions by trade or by room
- Options for modification
- Automatic cost calculations
- A free demonstration program for 30 days (usually) before you purchase the product

# Spec Writing Software

There are several software programs available on the market that can be used to develop specifications and work write ups. Prices range from \$750 to \$2,500:

- Housing Rehab Pro
  - [www.housingrehabpro.com](http://www.housingrehabpro.com)
- Housing Developer Pro
  - [www.communitydevelopmentsoftware.com](http://www.communitydevelopmentsoftware.com)
- RESPEC
  - <http://respecsoftware.com/about/>

# Property Inspections

- Pre-inspection – Feasibility testing
  - Due diligence by Inspector
  - Give inspectors the tools they need
- Initial Inspection – Work write-ups (scope of work)
  - Identify defects and their causes
  - Discuss owner concerns
  - Use a checklist, Take photos, videos, Keep notes
- Pre-Bid Meeting
- Interim Inspections
- Final Inspection – punch list
- Project sign-off

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# Initial inspection

Systematically inspect the property using a checklist and take notes

- Start with exterior, then move to interior
- Check structural, floors, walls, windows and doors, ceilings, attic, mechanical, electrical, plumbing
- Discuss deficiencies with homeowner

**Check behind, under and around for potential change orders**



# Prioritizing Repairs

**Emphasize repairs that increase the useful life, safety, and energy efficiency of a building, including, but not limited to:**

- repairing structural defects
- upgrades to fire egress and fire ratings of finishes
- addressing health hazards (lead, asbestos)
- repairing the building envelope (roof repair/replacement)
- adding insulation, reducing air infiltration
- upgrades to electrical systems
- replacing worn-out plumbing and mechanical components
- replacing inefficient equipment (old refrigerators, window ac units)
- Hazard mitigation

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# Green Features

## **Elements that enhance or increase:**

- Disaster resistance
- Excellent indoor air quality
- Universal design
- Resource efficient materials
- Low water use
- Reduced energy consumption
- Native landscaping

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# The Scope of Work



# Scope of Work

## **Develop work specifications from field notes:**

- Provide clear instructions on work to be performed, how it should be performed and what materials should be used
- Apply codes and standards
- A good work write-up should reduce change orders since work is clearly specified

# Work Write Up

## Good specifications always contain:

- Scope of work
- Quantity
- Location
- Special conditions
- Installation method
- Quality



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# Work Write-Up

Eliminate contractor/homeowner discretion:

- Use **shall/will not may/should**
- Use action verbs (hang, sand, apply)
- Specify brand and model or equal
- Reference specific code standards
- Have a room-naming system and apply it consistently

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# Cost Estimate

- Have an in-house estimate of the cost of the job helps to ensure that bids are reasonable
- Can be used to reject bids that are too high or too low
  - Best practice is 10% of inspectors estimate
  - Bids over- or under- are rejected
  - Should be a written policy

## Cost Estimate

- Staff can budget projects more efficiently
- Requires someone that is experienced in construction to provide a good estimate based on current market conditions.
- Can use software for cost estimating



# VALUE LIMITS

## Determining Value

Purchase assistance = Contract amount

Reconstruction = as is appraisal

Rehabilitation or emergency repair = assessed value or appraisal

Rehabilitation including an addition = assessed value plus cost of improvements or appraisal

**Dated with 12 months of when construction will commence**

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# The Pre-Bid Process



# Pre-Bid Meeting Contractor Walk-Through

**A meeting at the home with homeowner, contractors and staff**

## ***Benefits***

- Contractors can review the work and ask questions at the job site
- Allows for corrections to the work write up based on experience of contractors
- Provides homeowner an additional opportunity to point out problems in the home
- Reduces change orders by allowing additional work to be added to work write up if necessary

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# Pre-Bid Meetings

- Schedule several weeks before the bid opening
- Obtain attendance confirmation from contractors
- Remind owner of the date and time
- Ask contractors to point out potential problems
- Schedule several pre-bid meetings on the same day, by geographic location

**Best Practice is mandatory participation for bid submittal**

# SHIP Program Procurement

- Does not specify procurement procedures like federal programs
- You can follow your local procurement procedures
- You can define procedures specifically for your program
- There is no right or wrong process
- Most local governments rely on best practices
- It is up to the local government

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# Three approaches

## ***“Traditional Approach”***

- Local formal procurement process

## ***“Alternative Approach”***

- Homeowner Solicits Bids & Selects Contractor

## ***“Common Approach”***

- Housing staff obtain bids on behalf of homeowner

**Common Approach is a Best Practice**

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## Bid Opening

- Open to the public
- At least two staff persons present
- Reject late bids
- List bid results in client's file
- E-mail bid results to bidders

***Don't forget affordable housing Incentives such as expedited permitting***

# Contract Signing

- Owner, Contractor and City/County staff present
- Execute an agreement between the Owner and Contractor outlining the work, terms, duties, conditions, payments, warranties, etc.
- Execute an agreement between the City/county and Owner outlining duties, responsibilities, program terms and conditions

**The City/County is not the Contractor**



# Contract Signing

- Review the work write-up in detail
- Discuss rehab process in detail
- Discuss roles for different parties
- Select colors and materials

**Don't forget the 3 day right of rescission!**

# The Rehab Process



# Inspections

## **Building Department Inspections:**

- Know what inspections are required by your building department
- Make sure inspections have passed before you pay contractor
- Staff/In house inspector – Should inspect home each time a payment is requested

# Payments

- What criteria is the payment based on?
- How many draws?
- Who signs payment request?
- What documentation is required with a payment request?
- Who decides how much contractor is paid?
- Do you withhold a portion of each payment?

## Project Oversight

- SHIP administrator - field visit at least at final inspection
- Photographs and videos  
Before....During....After
- Document file each time there is an incident

***You will not remember the conversations you had with the Owner or Contractor three months afterward, when FHFC, Commissioners or news agency start asking questions.***

**Note date, time, and who you spoke with**

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## Final Inspection

- Owner and contractor should be present
- Ensure that work meets the detail outlined in the work write up and specifications
- Note quality and workmanship
- Request corrective measures
- Generate a punch list

# Project Closeout

- Verify punch list work has been done
- Have Owner sign a certificate of completion
- Make copies of warranties, mail original warranties to owner with a file close out letter
- Update tracking charts, balance expenditures
- Have Contractor record a Termination of Notice of Commencement and Release of Lien

# Project Closeout

- If your final loan amount is different from your originally recorded loan amount, record a mortgage modification agreement
- Have someone else on staff go over checklist and review file for completeness





# Questions?

Technical Assistance Hotline – 1-800-677-4548

Main Number 850-878-4219

[Andujar@flhousing.org](mailto:Andujar@flhousing.org)

[www.flhousing.org](http://www.flhousing.org)

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