

The Rehabilitation Emergency Repair Process Part 3

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

Florida Housing Coalition
andujar@flhousing.org



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



AFFORDABLE HOUSING CATALYST PROGRAM

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Catalyst Training Schedule

A banner for SHIP Catalyst Training. On the left, a woman with dark hair is smiling and looking towards the camera, while a man in a blue shirt is looking down at a document. The background is a blurred office setting. On the right, a dark teal overlay contains white text. The SHIP logo is on the left side of the banner.

SHIP
housing a stronger Florida

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

Register Now for SHIP Catalyst Training!

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

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

This webinar is being recorded and will be available at www.flhousing.org

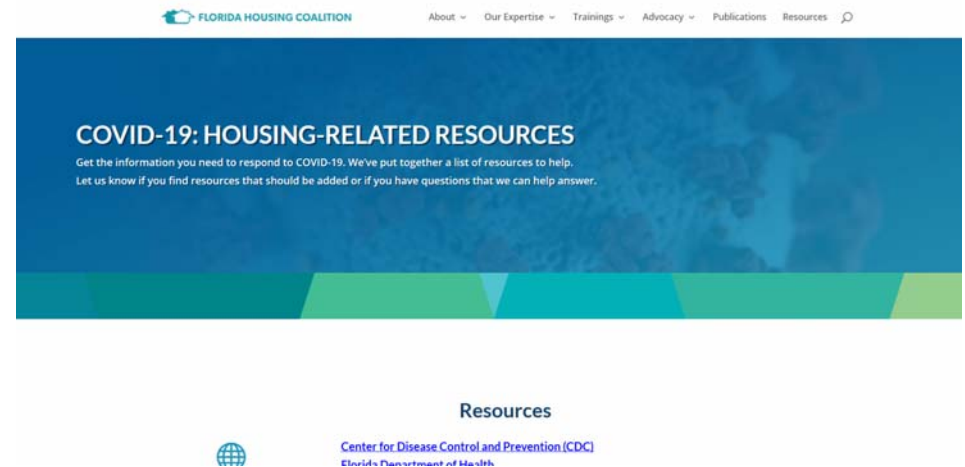
- A survey will immediately follow the webinar; ***please*** complete it!
Thanks!

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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?

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COVID-19 Free Course for Inspectors

- There is an available on-line course “InterNACHI’s Free On-line Course – “COVID-19 Safety Guidelines for Home Inspectors Course” found on the website- **www.nachi.org/covid-19-safety-standards.htm**
- You are required to take a test at the end.
- You will receive a certificate if you pass the test.
- The course describes some important steps that Home Inspectors can take to reduce their risk of exposure in their workplaces and homes being inspected.

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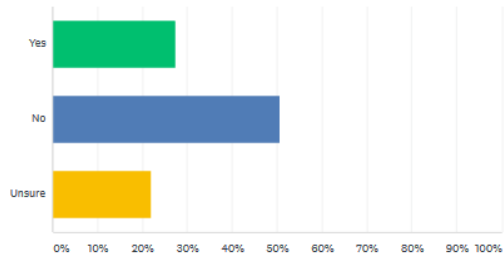
Questions about Encumbered Funds

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)

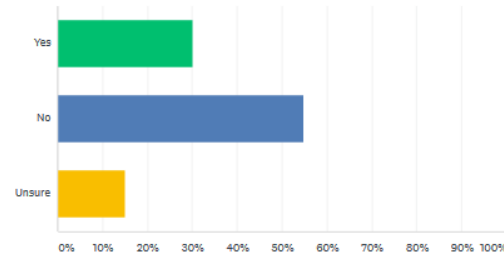
Answered: 73 Skipped: 0



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?

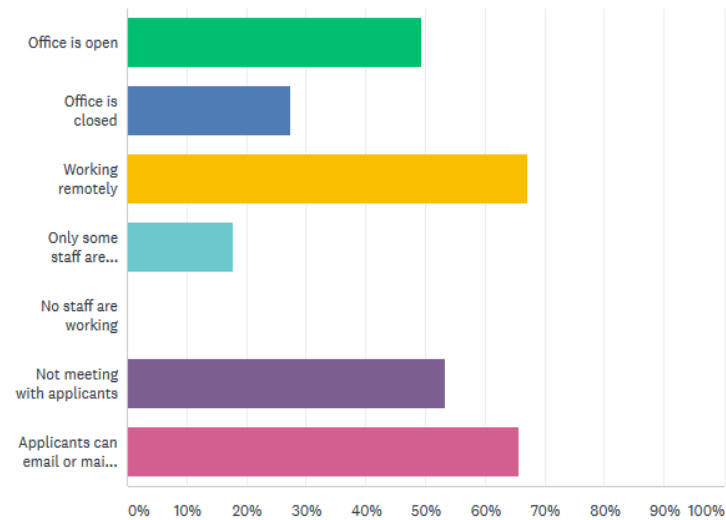
Answered: 73 Skipped: 0



SHIP Survey Responses

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

Answered: 73 Skipped: 0

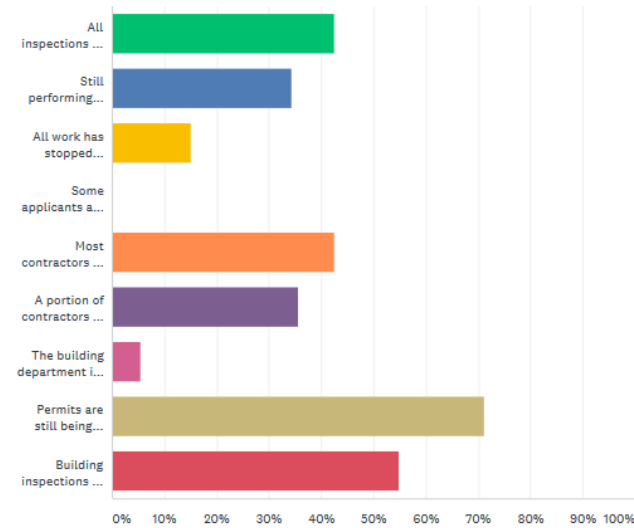


ANSWER CHOICES	RESPONSES	
▼ Office is open	49.32%	36
▼ Office is closed	27.40%	20
▼ Working remotely	67.12%	49
▼ Only some staff are working	17.81%	13
▼ No staff are working	0.00%	0
▼ Not meeting with applicants	53.42%	39
▼ Applicants can email or mail applications and supporting documents	65.75%	48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

Change Orders



Poll Question

What is the average number of change orders on a project?

- a) 1
- b) 2
- c) 3 or more



The Problem with Change Orders

- Increased job cost
- Time delays
- Increased paperwork
- Increased staff time
- Others?

What Causes Change Orders

- Lack of clarity in program requirements
- Lack of clarity in roles and responsibilities
- Unrealistic Expectations
- Lack of detailed inspection procedures
- Lack of knowledge on code requirements
- Poorly written work write ups

Reducing Change Orders

Set rules up front on the process for change orders

- Clarify up front what the rules are for change orders with inspector, owner and contractor
- Check property records, permits history and a thorough inspection to identify potential change orders
- Use building inspectors to identify potential problems
- Use the pre-bid meeting to encourage contractors to identify potential change orders
- Know the limits of your program
- Improve the quality of work write ups and specifications

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Specifications

Install a new door: Remove and dispose of existing front door. Furnish and install a new pre-hung 1 ¾" thick six panel insulated metal front door, standard 6' 8" unit including jamb, casing, 3 hinges, striker plate, threshold, and weather-stripping (all 4 sides) with a chain door stop. Install a view scope and a new entry and single cylinder deadbolt lock keyed alike and manufactured by Kwikset, Yale, Weiser or approved equal. 2 key sets furnished to owner. Caulk, prime and apply two coats of high quality oil based paint on door, jamb and casing. Owner to select door paint color. Repair any affected areas to match existing finishes as close as possible. Door must have NOA from County.

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Finding Qualified Contractors



Poll Question

How many contractors are on your bidders list?

- a) 1-5
- b) 6-10
- c) 11 or more



Disaster Contractors Network Portal

<http://www.dcnonline.org/PropertyOwner>

HOME PROPERTY OWNERS ▾ CONTRACTORS SUPPLIERS

ASSOCIATIONS ▾ KNOWLEDGE CENTER ABOUT

Property Owner Search

You are a property owner searching for services or materials in

Alachua
Baker
Bay
Bradford



or

go back

[Ctrl] + Selection for multiple selections/deselection

Search for Contractors:

Search by Contractor Name:

OR select multiple service types:

- | | |
|---|---|
| <input type="checkbox"/> Air conditioning | <input type="checkbox"/> Alarm contractor |
| <input type="checkbox"/> Building | <input type="checkbox"/> Electrical contractor |
| <input type="checkbox"/> General | <input type="checkbox"/> Mechanical |
| <input type="checkbox"/> Plumbing | <input type="checkbox"/> Pollutant storage system |
| <input type="checkbox"/> Pool/spa | <input type="checkbox"/> Residential |
| <input type="checkbox"/> Roofing | <input type="checkbox"/> Sheet metal |
| <input type="checkbox"/> Solar | <input type="checkbox"/> Specialty |
| <input type="checkbox"/> Underground utility and excavation | <input type="checkbox"/> Building demolition |
| <input type="checkbox"/> Gas line | <input type="checkbox"/> Glass and glazing |

Search for Suppliers:

Search for supplier by name:

OR select product type:

- | | |
|--|---|
| <input type="checkbox"/> Exterior doors | <input type="checkbox"/> Impact protective system |
| <input type="checkbox"/> Panel walls | <input type="checkbox"/> Roofing |
| <input type="checkbox"/> Shutters | <input type="checkbox"/> Sky lights |
| <input type="checkbox"/> Structural components | <input type="checkbox"/> Windows |

OR other supply type:

Search Suppliers

Clear Search

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Finding Contractors

<https://www.myfloridalicense.com/>

Search for a License
Apply for a License
View Application Status
Find Exam Information
File a Complaint
AB&T Delinquent
Invoice & Activity
List Search

Search License by City or County ?

License Information

License Category: Construction Industry
License Type: Certified General Contractor
City:
County:
State: Florida

License Type	Name	Name Type	License Number/ Rank	Status/Expires
Certified General Contractor	<u>"INDIVIDUAL"</u>	DBA	CGC1515671 Cert General	Current, Active 08/31/2020
Main Address*: 1571 NE 42ND STREET POMPANO BEACH, FL 33064				
Certified General Contractor	<u>(THE) CONTRACTOR GROUP OF DAVIE CORP</u>	DBA	CGC062520 Cert General	Null and Void, 09/14/2012
Main Address*: 1631 NE 46TH ST POMPANO BEACH, FL 33064				
Certified General Contractor	<u>A & A CONTRACTORS INC</u>	DBA	CGCA12856 Cert General	Null and Void 08/31/1998
License Location Address*: 2708 NW 90 TERRACE GAINESVILLE, FL 32606				
Main Address*: 2708 NW 90 TERRACE GAINESVILLE, FL 32606				
Mailing Address*: 1910 NW 44TH ST POMPANO BEACH, FL 33064				
Certified General Contractor	<u>A & A DRAINAGE & VAC SERVICES, INC.</u>	DBA	CGC1524854 Cert General	Current, Active 08/31/2020
License Location Address*: 5040 KING ARTHUR AVENUE DAVIE, FL 33331				
Main Address*: 2637 EAST ATLANTIC BOULEVARD 120 POMPANO BEACH, FL 33062				
Certified General Contractor	<u>A D A COMPLIANCE TEAM INC</u>	DBA	CGC046427 Cert General	Current, Active 08/31/2020
Main Address*: 951 SE 9TH AVE POMPANO BEACH, FL 33060				



Finding Contractors

- Advertise
- Display/Distribute flyers
- Post on website
- Get labels of active contractors from the occupational license department/purchasing department/procurement
- Talk to building and county inspectors for references
- Talk to other Cities and Counties for referrals

Other?

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Contractor Application

- Three written references from customers, subcontractors or material supply houses
- Current Contractor's license, tax receipt or other licensure
- Contractor liability insurance
- Workers Compensation insurance or Exemption
- Financially Responsible Officer or Authorized to Execute Contract

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Working with Contractors

Verify information:

- Verify license –
 - Go to <http://www.myfloridalicense.com/dbpr/>
 - Will also list complaints filed against a contractor.
- Verify that Corporation is active –
 - Go to <http://Sunbiz.org>
 - Information on the owner, the location of offices and if active.

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Working with Contractors

- Verify contractor is not debarred from HUD-
 - Go to <http://www.sam.gov>
- Verify Insurance is active –
 - Go to <https://apps8.fldfs.com/proofofcoverage/Search.aspx>

Working with Contractors

- Have a system in place to update this information on a regular basis
- Have a system in place to remove poor performing contractors

Policies Relating to Contractors

- Participation requirements
- Removal from bidders list and for how long
- How many jobs at one time
- Late fees
- Payments
- Change Orders
- Dispute resolution

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Working with Contractors

- **Emergency grants** - get three estimates from roofers, plumbers or electricians.
- **Full rehabilitation** - state licensed general contractor
- **Reconstruction** - general contractor, an architect and an engineer

Keeping Good Contractors

Contractors biggest complaints are:

- Delay in Payments
- Inconsistencies by inspectors in applying codes and standards
- Lack of clarity in specifications
- Lack of cooperation in resolving problems/conflicts

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Florida's Local Government Prompt Payment Act

- Applies to projects of any “county or municipal government, school board, school district, authority, special taxing district, other political subdivision, or any office, board, bureau, commission, department, branch, division, or institution thereof.”
- An express purpose of the law is to ensure that all construction services purchased by local governmental entities are paid in timely manner.
- No more than 20 days after payment request received.

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Contractor Evaluation

Contractor should be evaluated by homeowner, staff, or both, for each job.

Evaluations:

- Used as a tool to remove poor performing contractors
- Give contractors feedback on their performance and outlines weaknesses
- Let the supervisor know how contractors and staff are performing their work

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Poll Question

Do you have a contractor removal process?

- a) Yes
- b) No



The Importance of Written Agreements



The Importance of Written Agreements

- A written agreement serves as a legally binding contract between the local government and any other party
- Serves as a management, accountability and enforcement tool for the local government
- Should be executed whenever funds or services are exchanged

Effective Written Agreements

- Specify the activity to be carried out (who, what, where, when)
- What the funding source is
- How they are carried out
- Roles, responsibilities and options of all parties involved
- What changes are allowed and process to incorporate those changes

Effective Written Agreements

- Provide a budget
- Use of funds
- Activity and tasks to be performed
- Payment procedures and schedule
- Terms of enforcement
- Compliance, reporting and monitoring requirements

Parties to the Agreements

Local government and

- Applicant
- Contractors
- Sponsors
- Subrecipients
- Developers

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Contractors

- Persons /firms entering into a written agreement/contract to perform a specific task.
 - Appraisal firm
 - Lead based paint testing firm
 - Title insurance company
 - Construction work

They generally have no ownership or other ongoing interest in the project/job once their task is completed.

Indirect Recipients

Such as:

- Subcontractors
- Sponsors
- Developers

Should also execute contracts

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Who Prepares the Written Agreement

- SHIP Staff
- City/County Attorney
- Paid Consultant

Remember: If are not an attorney, you should always have an attorney review your documents for legal sufficiency and form.

When should the Agreement be Executed

- When the applicant has been deemed eligible
- When the project is ready to start, and all funding sources are in place
- All required pre-contract program steps have been completed
- Before any funds are disbursed to the third party

Rehab Construction Contracts – Basic Elements

- When does the project start and end
- Who gets the permits & pays for them
- Expectations of homeowner
 - Property access
 - Owner on-site during construction
 - Owner-requested changes and additions to work specifications
- Who pays for utilities needed during construction
- Tool/material storage

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Rehab Construction Contracts – Basic Elements

- Site clean-up
- Sanctions for non-performance of contractor
- Who may issue a stop-work order
- Conditions for termination of contract
- How disputes will be handled
- Warranty information

Rehab - Owner's Responsibilities

- Provide access to home during normal work hours
- Provide water and electricity to contractors
- Keep pets and children contained
- Store and protect valuables
- Let contractors do their job
- Communicates problems as soon as they occur
- Evaluates contractors

Contractor's Responsibilities

- On job during normal work hours
- Clean up each day after they are done
- Avoid damage to owner's personal property
- Advise the owner in a timely fashion if they are going to be late or not show up
- Advise the City/County as soon as possible of disputes
- Supply storage, sanitation unit, and dumpster
- Warranty and Guarantee

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How much information

- Enough that roles and responsibilities are clear
- Specific program requirements
- Performance expectations
- Measureable benchmarks
- Default provisions

Only include the items that you will enforce

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Consistency in Agreements

- Use templates
 - Standard format for variable information
 - Required provisions included
- Consistent language
 - Facilitates and expedites process
 - Minimizes staff errors
 - Makes monitoring easier

This works for terms and provisions that are the same for every project

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Amendments

- Process should be outlined in the agreement and should be followed
- Should be executed by all parties who executed original agreement
- State that other provisions remain in effect
- Have the attorney review the amendment for legal sufficiency and form

Review and Updates

- Read it in its entirety
- Have staff and legal review regularly to ensure it complies with any program changes
- Update when program or LHAP changes
- Have your attorney review updates and changes for legal sufficiency and form
- Review in detail with affected party before it is executed and answer questions

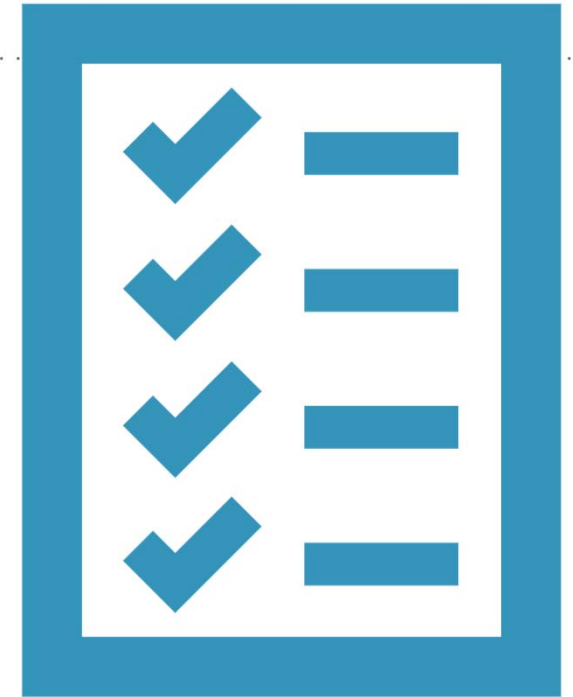
Best Practices

- Use Separate Agreements for each funding source
- Keep separate files
- Reference in your agreements that when more than one funding source is used the strictest rule will apply
- Create policies and procedures that can apply to any of your funding sources to reduce compliance issues
- Allows for expenditures to be transferred across different funding sources

Management Tool

- Written agreements are a management and enforcement tool
- It is legally binding
- It minimizes the risk of the local government
- Allows for corrective action
- Identifies specific requirements
- Allows for monitoring and compliance

Recordkeeping, Compliance and Monitoring



SHIP File Retention Policy

- Cases Assisted: wait five years after loan has been released/satisfied, provided audits have been released, whichever is later.
- Cases Not Assisted: retain for four years after Closeout Annual Report for that Distribution has been submitted.

Monitoring Plan

- Outlines purpose of monitoring
- Includes timing of monitoring
- Includes monitoring checklist for each program
- Addresses Frequency of monitoring
- Includes monitoring schedule
- Documents file review requirements
- Documents physical project review requirements
- Includes Standard letters, forms
- Outlines monitoring process
 - review files, meet with staff, inspect
- Includes Monitoring Closeout procedures

Best Practice: Plan updated regularly

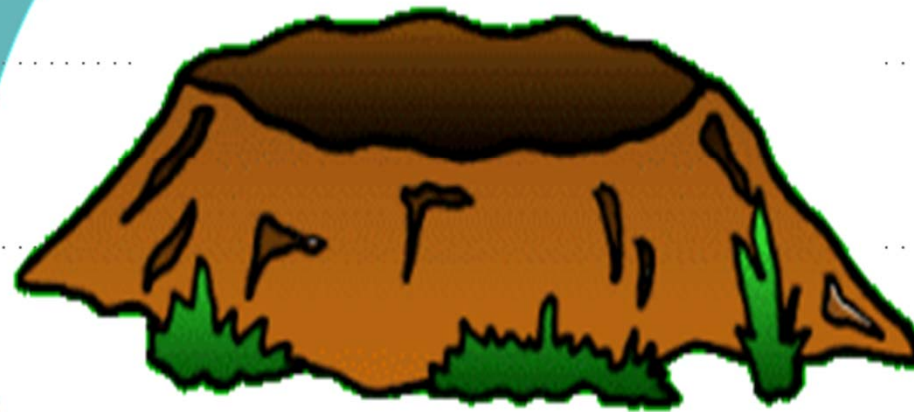
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Local Government Responsibilities

- Provide training opportunities
- Keep organization updated on LHAP changes, income, value limits and any rule changes that impact the organization
- Require reports as outlined in the agreement
- Communicate on a regular basis

Rehab Program Pitfalls



Program Pitfalls

- No cost estimates
- No pre-bid meeting
- No regular inspections
- Complying with correct LHAP
- Unclear written agreements
- Lack of policies and procedures
- Not Reconciling expenses

Homeowner Pitfalls

- Wish list
- Access
- Personal property
- Who's in charge
- Warranty/Maintenance
- Keeps coming back
- Conflicts

Contractor Pitfalls

- New Contractors
- Too many jobs
- Low ballers
- Poor workmanship
- Cheap materials
- Delays
- Warranty issues



Questions?

Technical Assistance Hotline – 1-800-677-4548

Main Number 850-878-4219

Andujar@flhousing.org

www.flhousing.org

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