

# The Rehabilitation Emergency Repair Process Part 2

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

Florida Housing Coalition  
[Aida Andujar](#)  
[andujar@flhousing.org](mailto:andujar@flhousing.org)  
[Cook@flhousing.org](mailto:Cook@flhousing.org)

[Gladys Cook](#)  
[Cook@flhousing.org](mailto:Cook@flhousing.org)  
Director Resilience and Disaster Recovery  
813-830-3450



# Our Thanks to the Florida Housing Catalyst Program



**AFFORDABLE HOUSING CATALYST PROGRAM**

**Sponsored by the Florida Housing  
Finance Corporation**



we make housing affordable™

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# 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

# 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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# 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 &amp; 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 &amp; A DRAINAGE &amp; 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				



# 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

- Advertise
- Display/Distribute flyers
- Post on website
- Get mailing list 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

# 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



# Contractor Application

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

# 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.

# Working with Contractors

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

# Keeping Good Contractors

## Contractor's 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

# 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.

# Work Write Up

## 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

# Specifications

## **Install a new front 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.

# 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

# 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**

# 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 available to the contractor*



# 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 and expedited permitting!**

# 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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# Change Orders

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

# 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



# 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

# 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

# Homeowner Satisfaction

- Maintain open communication throughout
  - Rehab Inspector must be a mediator
  - Have a process in place for handling complaints
  - Open door policy
- Provide Clarity of Roles and Responsibilities
- Well written documents and agreements
- Work with contractors that comply
- Use evaluations
- Consider buying a homeowner's warranty
- Take the Front Page Test...

# What is Arbitration?

- Arbitration is a procedure whereby an unbiased, neutral, third-party acts as judge and jury to resolve their dispute for in private — outside of the public judicial system.
- It is a simplified version of a trial involving less complicated rules and procedures. Arbitrators have more flexibility than court judges to decide how the arbitration should proceed and what weight to give evidence.

# What is Mediation?

- Mediation is an informal process where an impartial third-party, the mediator, helps the disputing parties find a mutually satisfactory solution to their issue.
- Mediators cannot impose a resolution upon the parties since they are not able to make legally binding decisions. Any settlement reached is an agreement by the parties.
- If the parties reach a settlement in mediation, they enter into a mediation settlement agreement that is enforceable as a contract.

# Best Practices

- Keep documentation of all meetings, conversations, pictures/paper trail
- Communicate regularly and clearly
- Explain who is responsible for what
  - Homeowner and contractor
- Most complaints are about the process, not the product



# 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

# Parties to the Agreements

- Local Government
- Applicant
- Contractors
- Sponsors
- Subrecipients
- Developers

# 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 as to 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
- Budget, schedule, payment procedures, funding source
- Roles and responsibilities of all parties
- Who gets the permits & pays for them
- Expectations of homeowner and contractor
- Who pays for utilities needed during construction
- Tool/material storage

# Rehab Construction Contracts – Basic Elements

- Site clean-up
- Change orders
- Late fees
- Contract amendment and termination
- Sanctions for non-performance of contractor
- Who may issue a stop-work order
- Dispute resolution
- 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



# Review and Update

- 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

# 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

# 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.

# Local Government Responsibilities when working with Partners

- Provide training opportunities
- Conduct monitoring
- 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



## Part 2: Resilience and Disaster Recovery- Post Disaster



# The Solar Energy Loan Fund (SELF): Assisting Low Income Homeowners

Link to recording: <https://vimeo.com/637987444>

## Types of Improvements

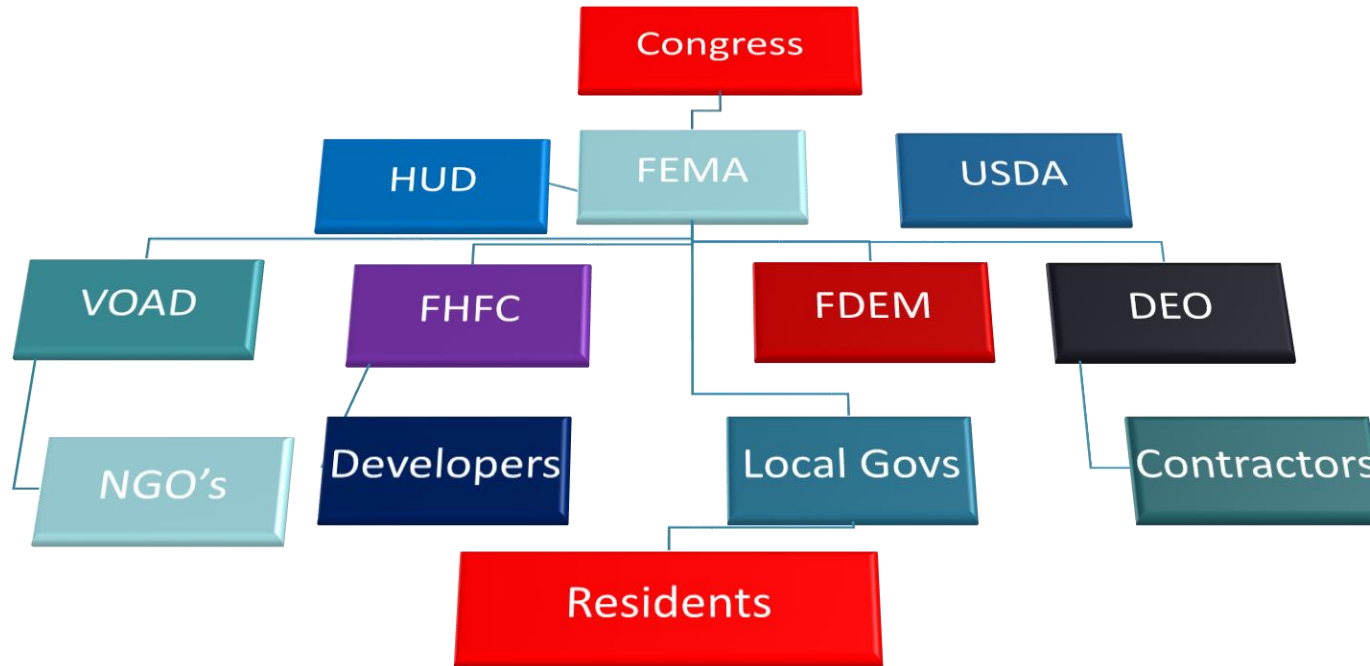


- **Energy Conservation & Efficiency** (e.g. high-efficiency AC, LED lights)
- **Renewable Energy** (e.g., solar PV, solar water heaters) solar attic fans, solar A/C systems)
- **Climate Resilience** (e.g., new roofs/repairs, impact windows, doors, hurricane shutters)
- **Water Quality** (e.g., septic-to-sewer conversions and lateral line replacements. Potable water hook-ups. Plumbing. Mold remediation)
- **Disability Modifications/Aging In Place** (e.g., wheelchair ramps, walk-in showers, widening doorways and hallways, assistive technologies, and more)
- **Miscellaneous** (20% of project can be for general home improvements not included above)



# Post-Disaster Program Design

- Administration: Grantee, Homeowner, Reimbursement
- Understand types of failures from wind and flood
- Coordinate with Local Emergency Management Office
- Understand FEMA STEP program protocols
-



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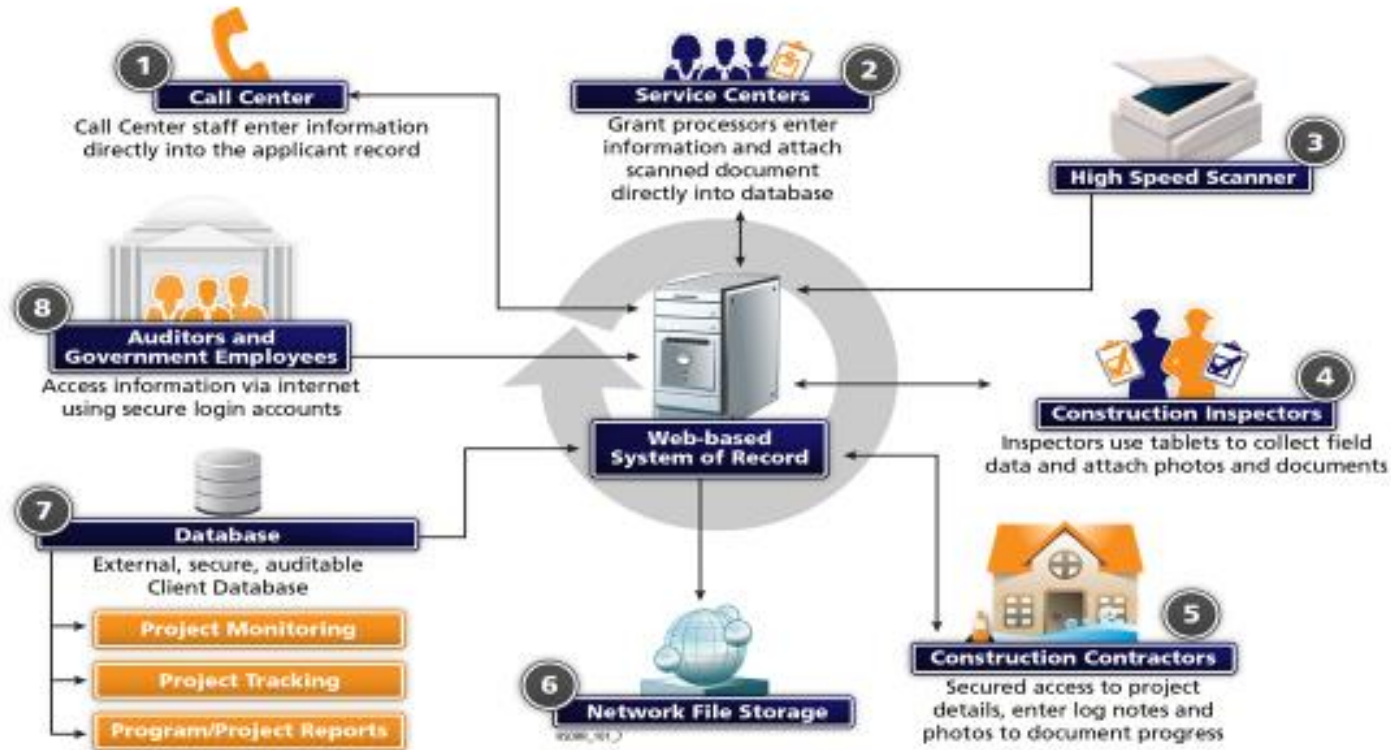




# Coordination

- Emergency Support Function # 6
- NGO's operations
- SHIP Disaster Strategy in place
- Nonprofits have Business Continuity Plans (contact FHC for more info.)

# Data Management System – Critical to Success



From Tidal Basin

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## Voluntary Organizations Active in Disasters (VOAD); partnership of faith-based and non-profit organizations



# Sheltering and Temporary Essential Power (FEMA STEP)

- STEP no longer in use- may be effective on local level
- Not a permanent repair program
- Provides the most basic, life sustaining needs for emergency sheltering
- Was not available for mobile homes or RVs
- Capped at \$20,000 though most required more work
- Repairs must be reasonable, necessary and low cost options to make the home safe for sheltering purposes

# STEP Implementation Requirements

- Legal responsibility and authority requirements
- Outreach and messaging
- Data collection and reporting
- Right of Entry, Participating Agreement, and proofs of ownership and primary residence.
- Site inspections and performance of work or contracting for the performance of work.
- Duplication of benefits applies.

# Emergency work Under STEP

- Providing necessary elements for survivors to safely shelter at home”
  - Utilities for potable water, hot water, HVAC, and food preparation
  - Functional kitchen, bathroom, and sleeping accommodations
  - Securing and/or weatherproofing to include roof, walls, doors, windows
  - Work necessary to meet access and functional needs
- Other:
  - Permitting fees and inspections for code compliance or safety are eligible but not subject to the cap
  - Project management and oversight, local direct admin, not subject to cap.



# STEP Timeline (from date of agreement)

## TASKS: 30 DAYS

**1** PROGRAM  
MANAGEMENT  
PLAN IN PLACE

**2** IDENTIFY  
SITES

**3** OUTREACH  
AND ROEs



## TASKS: 60 DAYS

**4** SCOPE OF  
WORK

**5** DETERMINE  
ELIGIBILITY



## TASKS: 90 DAYS

**6** COMPLETION  
OF WORK

**7** FINAL  
INSPECTIONS



## Considerations for Tenants and Homeowners

Know Your Home, Know Your Zone

Hide from the wind, run from the water

Awareness of Flood Hazards

Proper Insurance

Insurance premiums will increase

Mitigation Matters

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# FHC Disaster Recovery Guides



<https://www.flhousing.org/publications/>

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# Questions?



Technical Assistance Hotline – 1-800-677-4548

Main Number 850-878-4219

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

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

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

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