



# Emergency Repair, Rehabilitation, Reconstruction Process Part 1

**Florida Housing Coalition Presenters:**

Aida Andujar, Technical Advisor

Tamara West, Technical Advisor





welcome!







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# Catalyst Training Schedule

A banner for SHIP Catalyst Training. The left side features a photograph of three people (two men and one woman) sitting at a table, smiling and looking towards the camera. The right side has a teal background with white text. The SHIP logo is on the left, and the text 'Fine Tune Your SHIP Program' and 'REGISTER NOW FOR CATALYST TRAINING' is on the right. At the bottom, it says 'Register Now for SHIP Catalyst Training!'.

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.

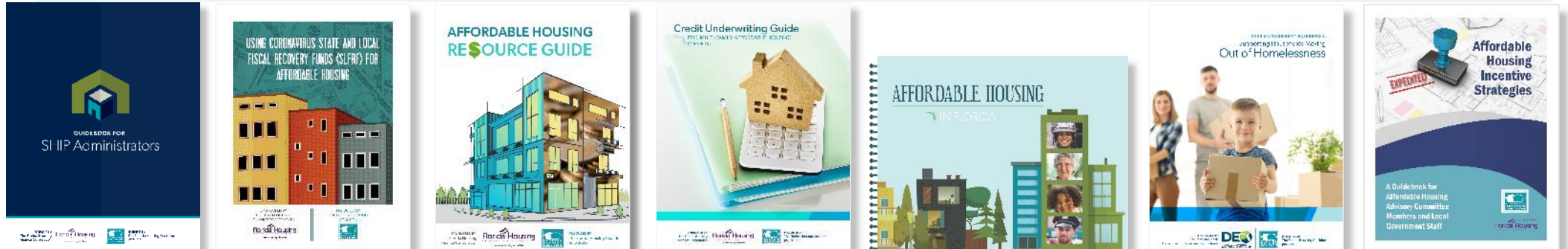
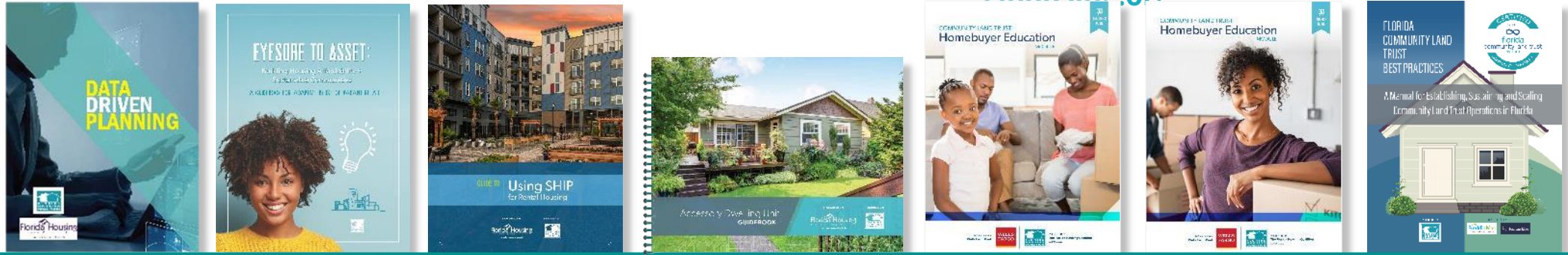
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more under the Publications tab at  
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# Webinar Logistics

- Participants are muted
- Enter your questions in the box in your webinar panel
- If non typing capability, click raise your hand button
- Handouts are available for your review.
- This webinar is being recorded and will be available at [www.flhousing.org](http://www.flhousing.org)
- Use headphones for best audio
- A survey will immediately follow the webinar; ***please*** complete it! Thanks!



# Overview

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- Rehabilitation Process
- Program Design
- Policies and Procedures
- Staffing and Partners
- Owner/Contractor Conflict
- Rehabilitation Project
- Scope of Work





# **The Rehabilitation Process**

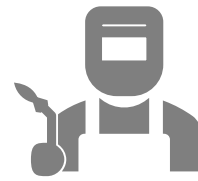
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# 75% of SHIP distribution must be used for construction, rehabilitation or emergency repairs

**NOTE: The expenditure of program income is exempt from this requirement.**



Construction, rehabilitation, or emergency repairs completed 12 months before or after the closing date regardless of who paid for the repairs;



Construction soft costs such as engineering studies and appraisals, if directly related to housing construction, rehabilitation or emergency repairs;



Relocation costs associated with rehabilitation of the residence;

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# Steps in the Process

- Initial Inspection
- Due diligence
- Prepare work write up & cost estimate
- Bid process
- Contractor approval and selection
- Sign contracts



LHAP  
program  
Description



Policies and  
Procedures  
manual



Advertise



Waiting list



Application  
processed



Award  
letter/Income  
certification



# Rehabilitation Process

- Permits issued
- Start Repair Work
- Partial payments
- Inspections
- Final Payment
- Releases and warranties
- Certificate of Completion
- Project evaluation
- Reports and Audits
- Monitoring



# Eligibility

## Applicant

- Application
- Household Size
- Income
- Assets
- Income Certification
- Award letter

## Property

- Location
- Type
- Ownership
- Owner occupied
- Condition
- Open permits
- Illegal structures
- Insurance





# **Program Design**

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# Program Design Considerations

- Housing Stock
- Housing Needs
- Housing Cost
- Funding
- Staff

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# Understand your Community's Needs

Know the condition of the housing stock

- Owner occupied
- Renter occupied
- Availability of standard units

Review Consolidated Plans

- Conduct windshield surveys
- Listen to program participants, partners, residents, leaders about needs, concerns and objectives.

Create clear objectives and goals

- Only carry out rehabilitation that meets your objectives and program goals

# Program Design

## **Type of Repairs**

- Code violations
- Energy Efficiency Improvements
- Incipient violations
- Accessibility Improvements
- Universal design
- Mitigation improvements
- Cosmetic improvements





# Program Design

## Feasibility testing

- Maximum award
- Use other funding sources
- Leveraging
- Owner Contribution



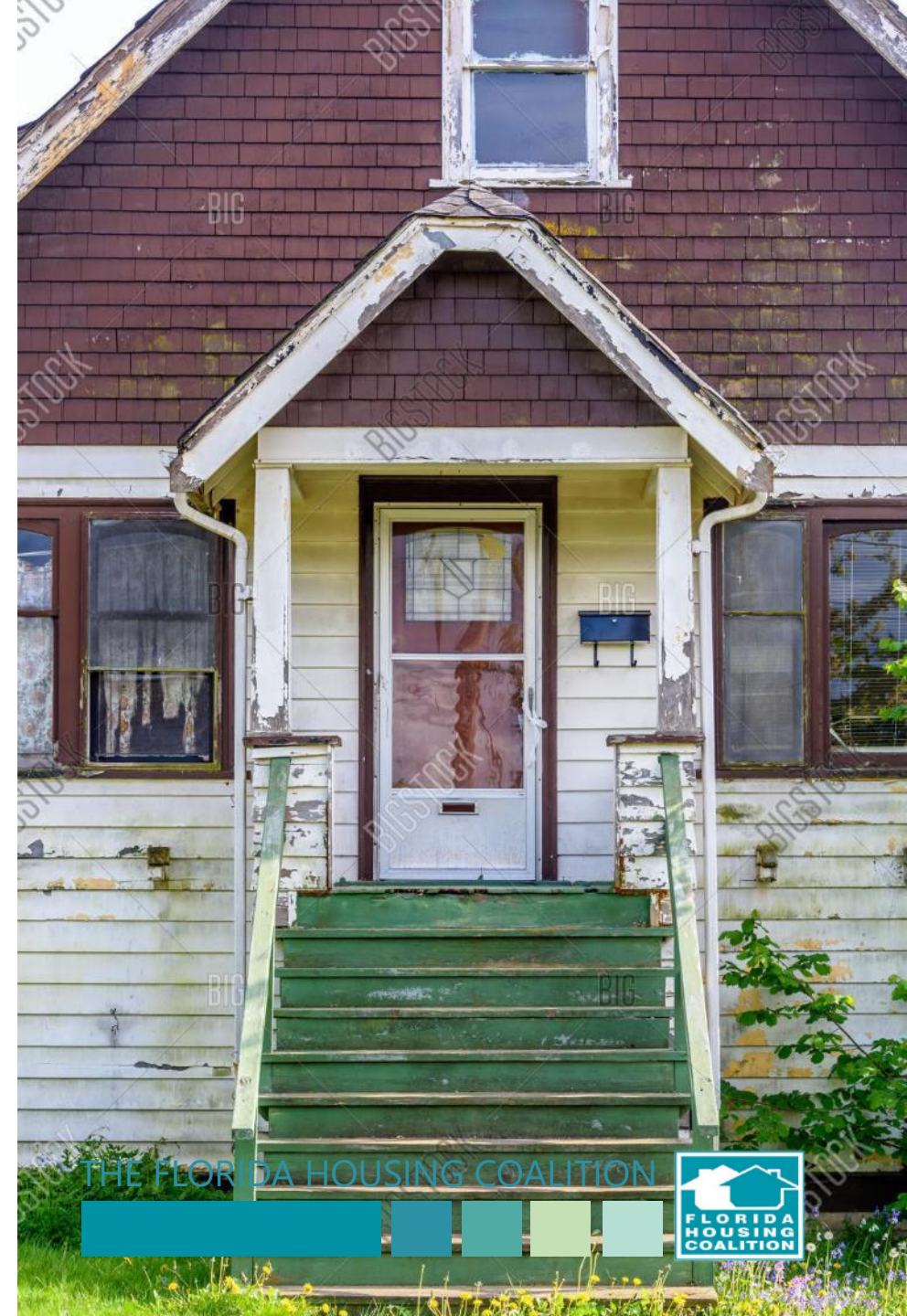
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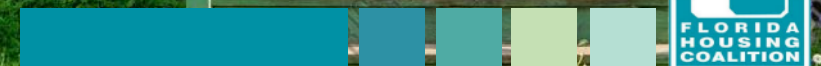
# Program Design

## What units will you repair?

- Single family
- Townhomes
- Condos
- Mobile homes
- Rental units



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# Program Design

## Household income

- 30%, 50%, 80%, 120% or 140% of median

## Special populations

- Elderly
- Special needs
- Persons with disabilities
- Workforce housing



# Terms of Assistance

## Loan Terms

- Grants
- Loans
- Deferred loans
- Combination
- Shared Equity
- Forgivable?
- Deferred over what length of time?
- Assumable?
- Owner's ability to refinance?
- What is a default?

# Rules for Federal and State

**When leveraging  
different funding,  
the strictest rules  
apply**

**CDBG apply rules  
for flood  
insurance**

**Environmental  
review is required  
for federal  
funding**

# www.hudexchange.info

Resources and assistance to support HUD's community partners

**HUD EXCHANGE**

My HUD Exchange Programs Resources Trainings Program Support Grantees News

NEED HOUSING ASSISTANCE? Email Updates Hi Aida!

HOMELESSNESS ASSISTANCE | APR 22

## HUD Reaffirms Its Commitment to Equal Access to Housing, Shelters, and Other Services

Learn More

COC | MAY 07 HUD's HDX 1.0 Now Open, 2021 HIC and PIT Count Data Submission Guidance Released

CDBG-CV | APR 25 CDBG-CV Financial Management Quick Guide Now Available

Lead Safe Housing Rule Webinar Series: Subparts J and K

Close Record

Details

**Course Name:** Lead Safe Housing Rule Webinar Series: Subparts J and K

**Status:** Active

**Delivery Type:** Instructor Led

**Course Code:** 2021-02-03-LSHR-Webinar-Series-Subparts-J-and-K-ILT

**Vendor:** ICF International

**Duration:** 12 hours

**Course Contact Information:** LSHR Training Registrar | trainings@hudexchange.info

**Course Summary:** This webinar series reviewed federal lead regulations with a focus on the LSHR activities, Subparts J and K.

**Training Type:** Webinar

**Hosted By:** U.S. Department of Housing and Urban Development (HUD)

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U.S. Department of Housing and Urban  
Development  
451 Seventh Street, SW  
Washington, DC 20410  
[www.hud.gov](http://www.hud.gov)

[espanol.hud.gov](http://espanol.hud.gov)

# Environmental Review Checklist

## **Broad-Level Tiered Environmental Review for Activity/Project that is Categorically Excluded Subject to Section 58.5 Pursuant to 24 CFR Part 58.35(a)**

This is a suggested format that may be used by Responsible Entities to document completion of a tiered  
Categorically Excluded Subject to Section 58.5 environmental review.

### **Project Information**

**Project Name:**

**Responsible Entity (RE):**

**State/Local Identifier:**

Focus

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# Policies and Procedures

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PROCEDURE

POLICIES

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# Written Documents

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- LHAP
- Policies/Procedures
- Standards/Specifications
- Agreements/Contracts

# Policies and Procedures

- Provides guiding principles to the staff so it can make programmatic decisions on a day-to-day basis
- Describes the workflow so staff knows what steps to carry out and in what order
- Procedures save the organization time and support efficient performance

# Policies and Procedures

Policies and Procedures Manual adds more program detail than the LHAP:

- Intake Process
- Inspection Process
- Dispute resolution
- Contractor selection/removal
- Bid process
- Change orders



# Policies and Procedures

- Hazard and flood insurance requirements
- Conflict of interest
- Record Retention requirements
- Monitoring and reporting
- Warranties/Guarantees
- Relocation
- Subordination policy

***Needs to be updated regularly***

# Staffing and Partners

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# Program Staffing

## Receptionist

- Should know details of the program
- Screens potential applicants
- Keeps waiting list

## Intake counselor/loan specialist

- Income eligibility
- Good communication and writing skills
- Maintains files



# Program Staffing

## Inspector

- Knowledgeable in construction and cost estimating
- Works well with public
- Good communication skills

## SHIP Administrator

- Knows program rules
- Oversees staff
- Tracks expenditures, reporting and program compliance

# Sponsor or Subrecipient

**67-37.002 (28) “Sub Recipient”** means a person or non-state organization contracted by a SHIP eligible local government and compensated with SHIP funds to provide administration of any portion of the SHIP program.

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**420.9071 (11) “Eligible sponsor”** means a person or a private or public for-profit or not-for-profit entity that applies for an award under the local housing assistance plan for the purpose of providing eligible housing for eligible persons.

# City of Pompano Beach Presenters:



**Angela Bowen**  
**Housing Specialist**  
**Office of Housing &  
Urban Improvement**



**Muhammad Hashmi**  
**Senior Accountant**





# **Owner/Contractor Conflict**

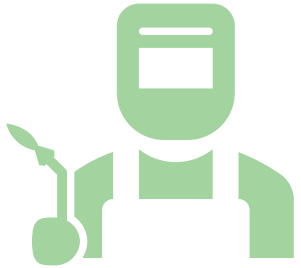
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# What causes conflict?



**Lack of Clear Communication**



**This can be between the Homeowner, Contractor and/or SHIP program staff**



**Solution: Communication early on and throughout the process**

# Homeowner Fears

## Loss of Control

- It's their home
- Their biggest investment

## Crooks

- Fear of local government
- Fear of unscrupulous contractors they don't know

## Money

- Is it reasonable
- I'm going to get stuck paying for this
- Hidden Cost

## Disappointment

- They won't do good work
- I won't get what I expect or was promised

## Disruption

- It will take forever
- It will be one big mess

# Contractors and Local Government

## Become desensitized, lack of empathy

- You do this over and over, the homeowner may do this once in their lifetime
- It's just another house for you, but it's their house
- You've heard it before, but not from them

## Exhibit empathy for the homeowner

- Their home is their biggest investment
- You are limiting their ability to make decisions
- They don't do this everyday



# Build on Elements of Trust



CONSISTENCY



HONESTY



PROMISE  
KEEPING



REASSURANCE

# Types of Communication

## Verbal

- Meeting with staff on a regular basis
- Meeting with contractors
- Meeting with homeowners

## Written

- Outline of program, process and application
- Policies and Procedures
- Contracts and Agreements

You must have both

# Clear Communication

## Among staff

- Understand the program
- Duties and responsibilities
- Roles
- Chain of Command

## Among contractors

- What is the process
- What the program limits are
- What the repercussions are for non-compliance

## Among homeowners

- How the program works
- What the program limits are
- What they can expect
- What the program does not do or allow



# Communication at each step

1. The application process
2. The pre-bid
3. The contract signing
4. During construction
5. Work Completion
6. Warranty period



# 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?

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Mediation is an informal process where an impartial third-party, the mediator, helps the disputing parties find a mutually satisfactory solution to their issue.

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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.

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If the parties reach a settlement in mediation, they enter into a mediation settlement agreement that is enforceable as a contract.

# **Best Practices**

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- 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

# Homeowner Satisfaction

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- 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...



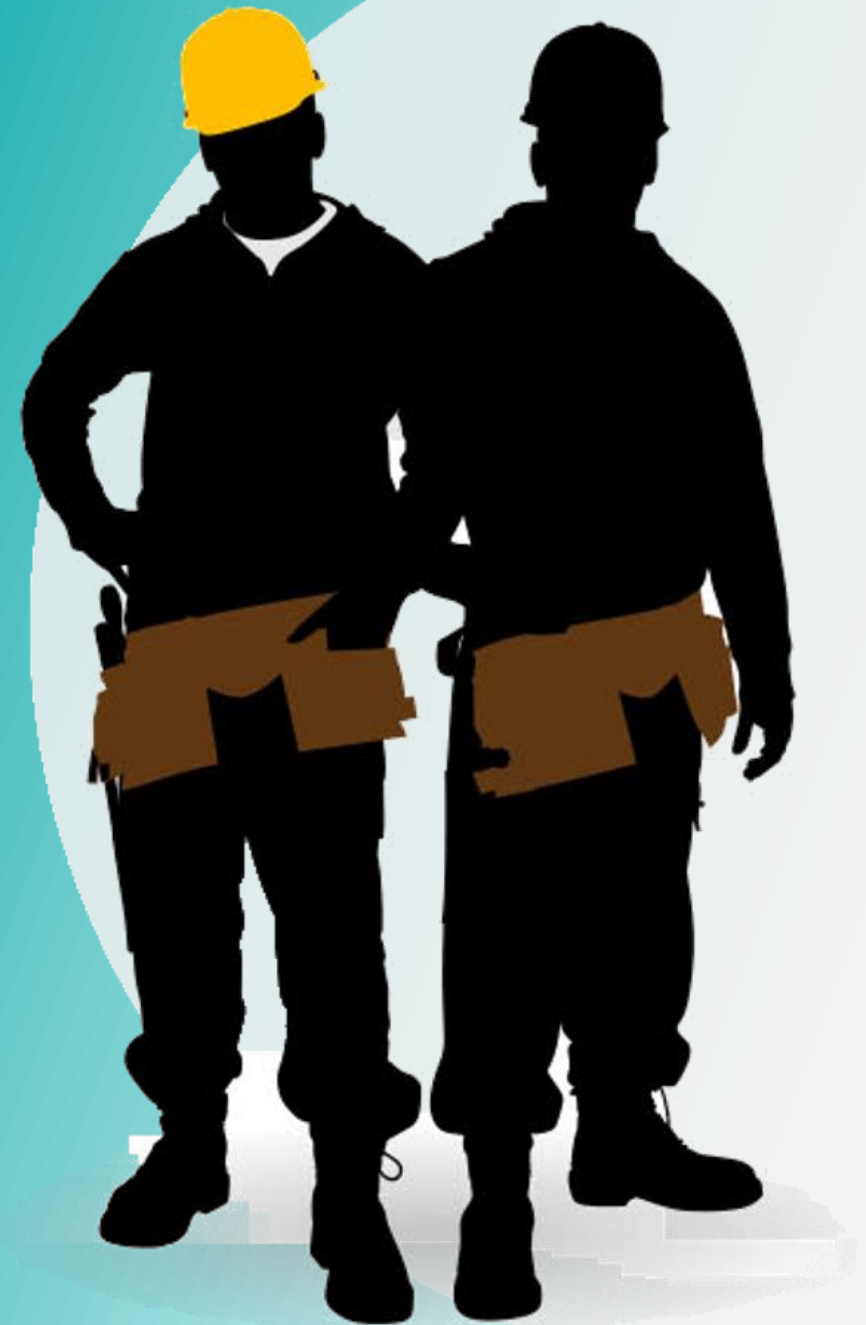
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# Rehabilitation Project

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# Beginning a Rehabilitation Project

Interview homeowner

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



# Housing Rehabilitation Standards

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

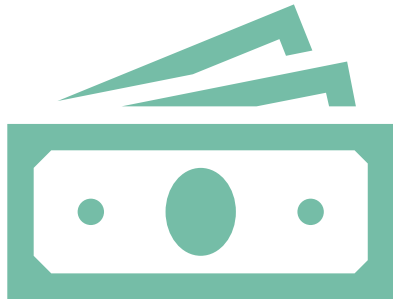
# Housing Rehabilitation Standards



## **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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# Uniform Physical Conditions Standards

## Uniform Physical Condition Standards for Single Family Housing Rehabilitation – Requirements for Site

Inspectable Item	Observable Deficiency
Fencing and Gates	Damaged/Falling/Leaning
	Holes
	Missing Sections
Grounds	Erosion/Rutting Areas
	Overgrown/Penetrating Vegetation
	Ponding/Site Drainage (affecting unit)
Health & Safety	Air Quality - Sewer Odor Detected
	Air Quality - Propane/Natural Gas/Methane Gas Detected
	Electrical Hazards - Exposed Wires/Open Panels
	Electrical Hazards - Water Leaks on/near Electrical Equipment
	Flammable Materials - Improperly Stored
	Garbage and Debris - Outdoors
	Play Equipment – Broken or Damaged
	Hazards – Other (e.g., outbuildings)
	Hazards - Sharp Edges

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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

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## **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

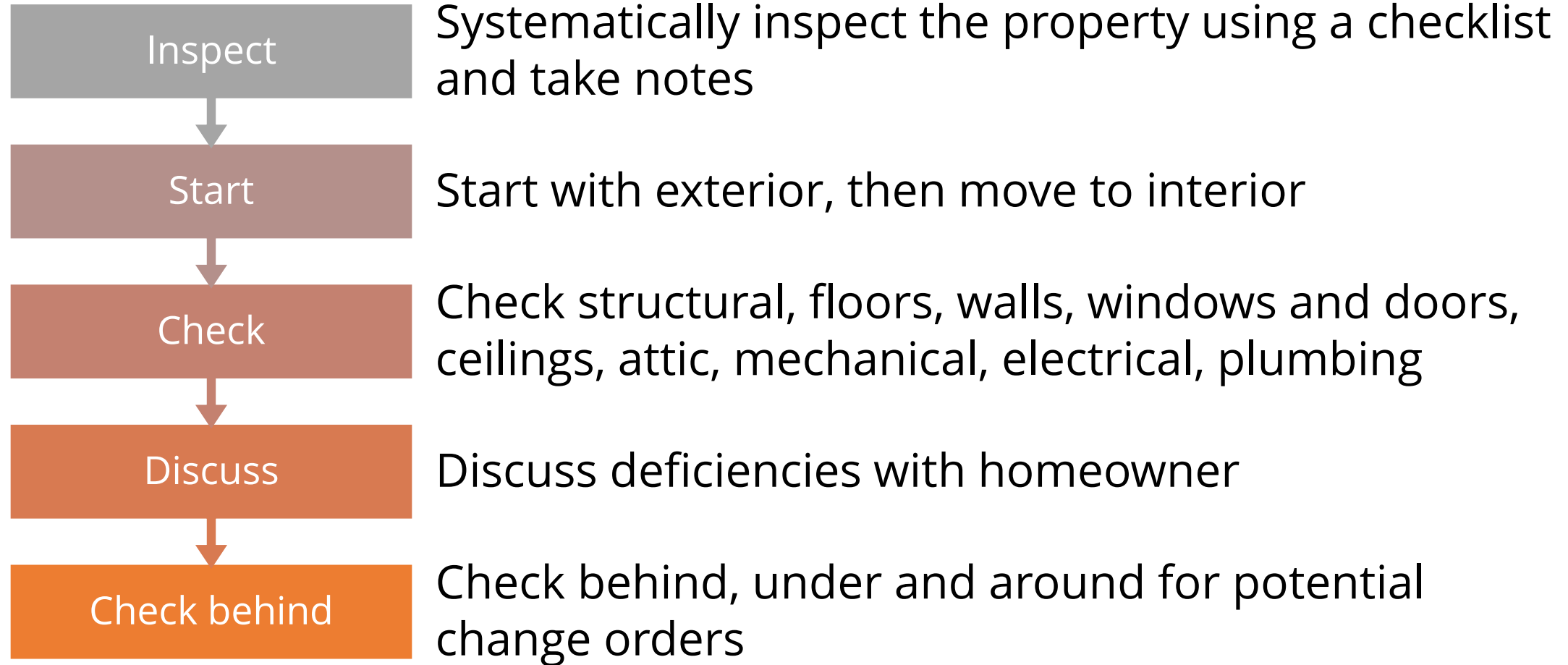
<http://respecsoftware.com/about/>

# 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



# Initial Inspection



# 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

# 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



# Recent changes in Rehab

- Material delays (window deliveries 3-4 months out)
- Obtaining and retaining quality contractors
- Retaining staff in rehabilitation programs
- Surveyors not available

# Work Write Up

## Good specifications always contain:

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



# 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

# 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



# The Bid Process

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# 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

# 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

# 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***



# Bid Opening

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- 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!**

# Please complete the evaluation!



**Questions?**

**Contact Aida at:**

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

**954-593-8988**



**Contact Tamara at:**

**[west@flhousing.org](mailto:west@flhousing.org)**

**850-518-2235**

**Technical Assistance Hotline: 1-800-677-4548**

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