

Multifamily Rehabilitation Grant Program



For more information contact
Office of Community Development

At (860) 285-1984 / (860) 285-1985

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PROGRAM SUMMARY

The program aims to stabilize and preserve the quality and availability of affordable rental housing throughout Windsor. It seeks to address deferred maintenance and distressed rental properties.

The program offers small grants to address various building and life safety code repairs in affordable rental properties that have two to four units. This assistance will match the applicant dollars in the form of a matching rebate of up to \$10,000 per unit. For applicant matching funds, Windsor Federal (WF) has made available a new Home Improvement Loan Program for Investment Properties (HILP). The number of units that can be assisted is dependent on the availability of program funds.

APPLICANT REQUIREMENTS

Eligibility to Apply

1. Eligible Properties:

- Be a multi-family (2 to 4 units), residential structure;
- Be located within the Town of Windsor;
- Applicant must have property ownership.
- Yet to be inhabited units are eligible to apply. *A later requirement to sign affidavit committing to rent to tenants whose household income does not exceed 80% of the Area Median Income (AMI) and to have a Fair Market Rent (FMR) once the unit is filled will be required. See exhibit A for AMI and FMR information.*

2. Eligible Applicants:

- Fifty percent (50%) of units occupied by low to moderate income (LMI) households (see exhibit A); Owner Occupant/Tenant Information Form (*page 4 of application*) is required to be filled out by eligible tenants and, if applicable, by owner occupant.
- Fifty percent (50%) of units at, or below, FMR rates (see exhibit A); Copies of current lease agreements for eligible units are required.
- An owner-occupied two unit property is eligible to apply.
- Current on property tax payments.
- Have property insurance.
- Be able to commit to match 75% of the town's grant with their own funds or through the Windsor Federal Home Improvement Loan Program for Investment Properties (HILP).
- Be able to demonstrate capacity to pay for the full project up front (either through a WF loan or bank statements).

3. Eligible Repairs

- Replacement windows
- Replacement doors
- Siding repair and/or replacement



- System upgrades (i.e. plumbing, electrical and HVAC)
- Roof repair and/or replacement
- Water heater replacement
- Accessibility features for entering and existing the home (i.e. wheelchair ramps, stair rails)
- Basement waterproofing.
- Required work: Smoke and CO2 detectors, life and safety related electrical upgrades and dryer vent replacements.

The town reserves the right to deny applications where (1) the Town Inspector's cost estimate of repairs substantially exceeds the maximum per project allowable cost; (2) hazardous conditions such as mold and mildew, standing water, and structural damage are present; and (3) multiple contracts are required to address the repairs needed.

4. Eligible Contractors
- Licensed and insured

FORM OF ASSISTANCE AND REPAYMENT

The town will provide assistance to successful applicants for the approved work in the form of a reimbursement. The assistance provided is a grant.

Matching Funds Requirement

Program eligible matching funds are limited to: (1) Windsor Federal's HILP; and (2) already existing own funds.

Process via WF Funds

WF will make funds available for the matching portion of the project. Unless modified by exception, after contract signing, WF will provide an initial disbursement of up to 40% of the total contract amount for prefunding of construction contracts and materials¹. After construction is finished, all required project closeout documents are submitted, and inspection(s) have passed, WF will disburse the remaining matching funds and the town will disburse the grant funds. Payments will be made directly to the contractor. For more details on WF's procedures please contact them directly.

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¹ Windsor Federal will release up to 40% of the covered costs (the covered cost being defined as the sum of the grant amount and the required matching funds), but Windsor Federal will not release more than the total amount of the Windsor Federal HILP less applicable reserves.



Process via Applicant's own Funds

Initial disbursement for prefunding of construction contracts and materials will be provided by the applicant's matching funds. The amount will be determined by the construction contract agreement.² Final payment to the contractor will be provided by the property owner (remaining matching fund amount) and by the town (grant fund amount). Final payments will be approved after construction is finished, project closeout documents submitted, and inspection(s) passed. For more details on documents to be submitted see Exhibit C.

Waiting List

If the town commits all available program funds, a waiting list will be created for subsequent applicants. Once all program funds are expended, the waiting list will be dissolved. The applicants that were on the waiting list will be encouraged to apply to the town's Housing Rehabilitation Program.

PROGRAM REQUIREMENTS

1. **Rental Unit Affordability and Occupancy** - Matching grant awardees must pledge to maintain rent levels for 50% of all units at or below FMR and to maintain 50% of units occupied by low to moderate income (LMI) households for three years after signing an agreement with the town (for LMI and FMR program designations see exhibit A).
2. **Scope of Work** - Applicant must agree to mandatory health and safety upgrades and adhere to scope of work as approved by Town Inspector.
3. **Construction Contract** - The contract amount will include the contractor's contingency costs. The final draft of the construction contract should be reviewed and approved by the town before it is signed. After the contract is signed, the town should review it once again to ensure consistency with the previously approved draft. Any inconsistencies might compromise the town's commitment. Any work started prior to the signed contract approval will be the applicant's responsibility.
4. **Construction Timeline** - Applicants who receive the grant are responsible for completing their proposed upgrade project within six months of contract signing.
5. **Building Permit** - If permitted work is required, as per the approved scope of work, a building inspection pass will be needed before payment can be made. If a renovation requiring a permit does not have one, payment will not be approved.
6. **Change Orders** – The use of change orders is limited to unexpected work that arises during construction. All change orders will need to be approved by the Town Inspector prior to work commencement.
The property owner will be responsible to cover any costs associated with a change order unless the committed grant amount is less than \$10,000 per unit. Should that be the case, the town could increase the grant to a maximum of \$10,000 per unit.
7. **Fair Housing Marketing** – When rental units in the property to be rehabilitated become vacant, property owners are to exercise affirmative fair housing marketing and not

² The town recommends that no more than 40% of the total project is provided to the contractor at this stage.



discriminate in housing on the grounds of race, creed, color, national origin, ancestry, sex, marital status, age, lawful source of income, familial status, learning disability, physical or mental disability, sexual orientation, or gender identity or expression.

8. **Tenant Displacement** – No tenants will be displaced as a direct result of rehabilitation work done under this program.

AMOUNT OF MATCHING GRANT

The amount of the grant will depend on the number of units in the property and the cost of repairs in accordance with the scope of work approved by the Town Inspector. The maximum grant dollars for the approved scope of work are: \$20,000, \$30,000 and \$40,000, for 2, 3, and 4-unit properties respectively. The funds awarded under this program require a 75% applicant match (If the town approves \$10,000 in grant funds, the property owner is required to provide \$7,500). The approved grant amount is subject to proof of available matching funds.

PROGRAM PROCESS

Application / Eligibility Review

- An optional Pre-Application Info Session will be held and a recording of it will be posted on the Community Development website.
- Submissions will be reviewed and accepted on a first come, first serve basis.

Application Document Submission

- Application forms can be accessed on the Community Development Website or at the Community Development Office at Town Hall.
- Applications can to be submitted online or in paper. **EMAIL APPLICATIONS WILL NOT BE ACCEPTED.**

For **online submissions**, you will be required to fill out the online application form, which is located on the Community Development Website. Once you submit this form, town staff will email you an application ID, which you will use to upload supporting documents in an Application Status Portal. You can also use this portal to check your application status and communicate with town staff. **Paper applications** will be accepted at the Community Development Office (prior appointment required).

- A complete submission includes the application form filled out and signed, along with supporting documents (see checklist on page 5 of application form). Incomplete



document submissions will not be evaluated. If materials are missing from the applications, applicants will be notified

Initial Screening of Applicants

The initial screening of applications will take place on a first come, first serve basis. Ownership of property, property tax payment, and affordability of units will be verified by town staff, who will also review applications for completeness. From this review, eligible applicants will be contacted by the Town Inspector to schedule an on-site consultation. Town staff do not take responsibility for delays in scheduling on-site consultation with Inspector due to incomplete applications. It is the applicant's responsibility to ensure their application is complete.

Preliminary On-site Consultation

The Town Inspector will visit eligible properties and discuss the proposed scope of work with the applicant after his inspection. If necessary, the scope will be modified to include critical repairs within the maximum allowable budget.

The applicant and Town Inspector will agree on and sign a final scope, which will be used by the applicant to seek contractor quotes.

The town reserves the right to deny applications where (1) the Town Inspector's cost estimate of repairs substantially exceeds the maximum per project allowable cost; (2) hazardous conditions such as mold and mildew, standing water, and structural damage are present; and (3) multiple contracts are required to address the repairs needed.

Post-inspection Document Submission

1. Contractor Quotes

Applicant submits **two** contractor quotes for agreed scope work along with Certificate of Insurance for preferred contractor. The amount of grant funds will be calculated based on the eligible low bid contractor quote. The town will not accept low bid quotes from an ineligible contractor.

Please request an itemized quote including all work to be done and ensure that the quote includes contingency costs.

Contractor Eligibility: Contractors will need to have an active state-issued contracting license and insurance coverage.

- How to verify a license? Please visit the Department of Consumer Protection's website at: <https://portal.ct.gov/DCP/Licensing/Verify-a-License---Instructions>



- How to review Insurance Coverage? Request a Certificate of Insurance. The certificate should carry the name of the insurance company. The town recommends that applicants call the insurance agency on the certificate to confirm the coverage.

Given that funds are committed on a first come, first serve basis, the town strongly recommends that applicants communicate with contractors without delay.

Note: Final selection of a contractor(s) is the sole responsibility of the participating applicant. Town will review contractor's license to determine the contractor's ability to attain a building department permit. The town shall offer no warranty on work performed. The applicant should obtain any desired warranty information from the contractor(s) in writing.

2. Contract Draft

Once the quote and contractor have been approved, a contract draft will need to be sent to the town for review and approval. This is to ensure that the scope of work and project cost in the contract are as previously approved. It will be the property owner's responsibility to ensure all other aspects of the contract are satisfactory. The town strongly recommends that property owners take the time to review contracts before signing them. Please refer to *Exhibit B* for guidance on what to look for in a contract.

Please remember that this program requires that the contract total amount includes the contractor's contingency costs. For more details please see the program requirements section on page 3.

Funding Commitment

Once the final draft of the contract has been approved, the town will issue a Letter of Commitment, contingent on availability of matching funds (please see *Matching Funds section*) and on successful review of signed contract. Property owners will have three weeks to show proof of funds and a signed contract. Otherwise, funds will be re-assigned to the next applicant in line.

Matching Funds

Process via Applicant's own Funds

Property owners will be required to submit bank statements for the most recent three months. In order for proof of funds to be appropriate, the town requires that all three statements show a balance that is equal to or greater than the total matching requirement plus ten percent to cover any change orders, if needed. Bank statements from more than one account are acceptable as long as the applicant(s) name(s) are consistent on all documents.

Process via WF Funds



Property owners will need to present documents including, but not limited to, the town's Letter of Commitment and construction contract as requirements to apply for the WF's Home Improvement Loan Program for Investment Properties. Please be aware that the loan amount set with WF will be limited to the matching needs of the project.

Contract Signing

Once the construction contract draft is reviewed and approved by the town, the property owner and contractor will sign the contract and the property owner will send a copy to the town.

NOTE: Please take a close look at the construction contract before signing it. Prior to signing a grant agreement, the town will verify that the signed contract is consistent with the contract draft previously approved. If there are any variations, the town could rescind its commitment.

Grant Agreement

Once the town reviews and approves the applicant's proof of required fund availability, and the signed construction contract, a formal agreement is signed between the property owner and the town. Please refer to Program Requirements (*page 3*) for information on agreement content.

Construction

If applicable, the property owners (via their contractor) are responsible to obtain a Building Department permit for the project before beginning work. Building inspectors will inspect applicable work for compliance with the Building Code.

In the unlikely case of necessary relocation of tenants, due to construction, it will be the landlord's responsibility.

a. Preliminary Payment

Process via WF Funds

Once the approved contract is signed, WF release up to 40% of total project cost for prefunding of construction contracts and materials³. Payment will be provided to the contractor. For more on WF's procedures please contact them directly.

Process via Applicant's own Funds

³ Windsor Federal will release up to 40% of the covered costs (the covered cost being defined as the sum of the grant amount and the required matching funds), but Windsor Federal will not release more than the total amount of the Windsor Federal HILP less applicable reserves.



The property owner is responsible to provide any payments according to agreement in contract.⁴

b. Change Orders

The use of change orders is limited to unexpected work that arises during construction. All change orders will need to be approved by the Town Inspector prior to work commencement. The Town of Windsor reserves the right to refuse payment for any change orders not authorized prior to construction commencement.

An approved change order will increase the grant amount up to a maximum of \$10,000 per unit. Property owners who have already been awarded the maximum grant amount will be responsible to cover any additional costs. If a change order increases the grant amount, an updated agreement will need to be signed prior to payment approval.

c. Final Payment

The following needs to take place prior to final payment approval:

- If applicable, final Building Department inspection passed and permit closed (*contractor's responsibility*).
- Town Inspector to review the work and recommend payment
- Certificate of Completion will need to be signed by the Town Inspector, property owner and contractor (*Town Inspector's responsibility*)

Final payments to the contractor will come from two sources, please see below.

Via WF Funds: WF and the town will disburse the remainder project funds only once documents supporting the steps above have been submitted to them.

Via applicant's own Funds: Property owners' are required to ensure the final payment steps noted above have taken place before paying the contractor.

⁴ The town recommends that no more than 40% of the total project is provided to the contractor at this stage.



EXHIBIT A

Low to Moderate Income (LMI) and Area Median Income (AMI) by Household Size

Generally, low income is considered to be 50% or less of area median income, moderate income is 80% of area median income. To qualify for this program a household must be LMI and its income at or below 80% AMI. Please see local AMI values below.

Household Size						
	1	2	3	4	5	5
80% of AMI	\$63,112	\$72,128	\$81,144	\$90,160	\$97,373	\$104,586

Source: [2022 Greater Hartford Combined Income Limits](#)

2022/2023 Fair Market Rent Scenario Values

The values below indicate the maximum rent to be eligible for the program under different utility payment scenarios and energy sources.

Rent Limits					
Energy Source	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
All utilities paid by landlord					
Full Electric Oil* Gas	\$1,130	\$1,360	\$1,690	\$2,060	\$2,510
No utilities paid by landlord					
Full Electric	\$943	\$1,228	\$1,393	\$1,717	\$2,103
Oil*	\$959	\$1,130	\$1,392	\$1,687	\$2,059
Gas	\$1,031	\$1,217	\$1,504	\$1,827	\$2,227

*Oil heating for heat and hot water assumes electric cooking.

Note: Utilities included in the calculation above, as per the Department of Housing and Urban Development (HUD) methodology, include heating, water heating, cooking and electricity.

Source: [2022/2023 CT DOH Utility Allowance Schedule;](#)
[FY 2023 Hartford-West Hartford-East Hartford, CT HUD Metro FMR](#)

EXHIBIT B



Home Improvement Guide

This is an extract from “Home Improvement & New Home Construction in Connecticut”, a document created by the Department of Consumer Protection (DCP) to help both, the contractor (to comply with the law) and the property owner (to understand what’s required in the contract), . Pages 31 - 33 below, is a useful tool to guide you in the process.

For more information on this guide please visit: <https://portal.ct.gov/-/media/DCP/Investigations-Division/documents/FinalHomeImprovementGuidepdf.pdf>

For questions please contact DCP by emailing dcp.tradepractices@ct.gov, or by calling at (860) 713-6100 or Toll-Free at (800) 842-2649.





Your Contract Checklist

The contract is not valid and not enforceable against the homeowner unless it contains all of the information below and is entered into by a registered contractor or salesperson. The contractor must provide and deliver to the owner, without charge, a completed copy of the home improvement contract at the time the contract is executed. This checklist will help you make sure everything is covered.

The Basics

- Contractor Name
- Contractor Address
- Contractor HIC Registration Number
- The Entire Statement of Agreement

Important Contract Dates

- Transaction Date
- Start Date
- Completion Date

Signatures

- Contractor Signature and Date
- Homeowner Signature and Date

Notice of Cancellation Information

- You have verbally informed the consumer about their right to cancel
- Consumer has been given a detachable "Notice of Cancellation" Form that includes:
 - Address where cancellation must be sent
 - The date by which cancellation must be sent



Notice of Cancellation

(must be in Bold, 10 point font as shown below.)

DATE OF TRANSACTION: _____

YOU MAY CANCEL THIS TRANSACTION WITHOUT ANY PENALTY OR OBLIGATION, WITHIN THREE (3) BUSINESS DAYS FROM THE ABOVE DATE.

IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU WILL BE RETURNED WITHIN TEN (10) BUSINESS DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELLED.

IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT YOUR RESIDENCE IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED, ANY GOODS DELIVERED UNDER THIS CONTRACT OR SALE; OR YOU MAY, IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE SELLER REGARDING RETURN SHIPMENT OF THE GOODS AT THE SELLER'S EXPENSE AND RISK.

IF YOU DO MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN TWENTY DAYS OF THE DATE OF CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREE TO RETURN THE GOODS TO THE SELLER AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR THE PERFORMANCE OF ALL OBLIGATIONS UNDER THE CONTRACT.

TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE TO:

NAME OF SELLER: _____

AT THE ADDRESS OF SELLER OR SELLER'S PLACE OF BUSINESS
(Please write the mailing address including the business name below):





**NOT LATER THAN MIDNIGHT OF THIS DATE (3 business days from
cancellation) __/__/__**

I HEREBY CANCEL THIS TRANSACTION:

CONSUMER'S SIGNATURE: _____

DATE: _____

CONSUMER'S NAME: _____

CONSUMER'S EMAIL ADDRESS: _____



EXHIBIT C
DOCUMENT SUBMISSION CHECKLIST
Application Phase

Initial Document Submission

- Application filled out and signed by all property owners.
- Copy of photo ID of applicant(s)
- Owner occupant/Tenant Information Form filled out and signed by LMI tenant(s) and/or LMI owner occupant (for at least 50% of units).
- Current (signed) lease showing FMR for at least 50% of unit(s). *Please remove sensitive information. i.e. SSN*
- Before pictures of proposed improvements (from different sides/angles)
- Current Property Insurance Declaration Page
- Notarized Representative Signer Document (if applicable)

Post-Inspection Document Submission

- Two** contractor itemized quotes for town-approved scope of work (Town will provide grant funds equal to low bid amount)
- Desired contractor's license and insurance information
- Signed Contractor Handout
- Initial Contract Draft (before it's signed)
- Final Contract Draft (before it's signed). *Applicable if changes were needed*
- If providing own matching funds:* bank statements for the most recent three months (please see required amounts on page 4 of guidelines). *Please remove sensitive information. i.e. account or routing number.*
- Signed contract copy

Construction Phase

- If applicable, change order signed by Inspector, Contractor and property owner(s) (*generated by contractor*)

Construction Closeout Documents (prior to final payment):

- Certificate of Completion signed by property owner, contractor and inspector (*generated and submitted by Town Inspector*)⁵.
- Photos of completed work (from different sides/angles)
- Contractor invoice reflecting all work performed and associated costs
- Updated Town/Owner Agreement Signed (*if change order is issued during construction*)

If you submit your application online, these documents should be submitted via Application Status Portal.

⁵ In order for a Certificate of Completion to be presented to you by the Town Inspector, building permit will need to be closed and inspection by Town Inspector passed.