

Application & Eligibility continued...

The income limits, which determine Program eligibility, differ for each community. In the City of Torrington based on your household size, you may be eligible for a deferred loan if your annual household income is at or below the following amounts:

Household Size	Income Limits*
1	\$46,000
2	\$52,600
3	\$59,150
4	\$65,700
5	\$71,000
6	\$76,250
7	\$81,650
8	\$86,750

* Income limits are subject to periodic change.

Loan to value ratios for each property are also reviewed to determine the availability of equity which is considered when determining maximum loan amounts. The Owner may provide their own property appraisal at their expense, for the City's consideration.

FUNDING

Funds are typically offered in the form of deferred loans to eligible owner/occupants. Deferred loans are 0% interest loans which require no repayment until a transfer of title, the Owner's demise, or the subject property is no longer the applicant's principal place of residence. Investors may be eligible for direct loans with interest rates up to 3% and maximum terms of 15 years. All loans are secured with a mortgage deed, promissory note, and memorandum of agreement.

The City may, at their option, subordinate the loan to future lenders upon written request from the Owner, only if determined to be in the City's best interest.

The information and process outlined in this flyer is illustrative only and does not bind the City or its Program Consultant. The City has the right to amend, revise, rescind, or interpret any part, process, or procedure of its Program as it deems necessary. All decisions are subject to the review and approval of the State of Connecticut.

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Equal Housing Opportunity



Minorities, families with children, persons with disabilities, and others needing housing rehabilitation are encouraged to apply.

Rev. March 28, 2106

**City of Torrington
Housing Rehabilitation
Loan Program
Information**



Funding provided by
Connecticut Department of Housing



U.S. Department of
Housing and Urban Development
Equal Opportunity Lender

**COMMUNITY DEVELOPMENT
BLOCK GRANT LOAN PROGRAM**

The City of Torrington has Community Development Block Grant funds available for income eligible residential property owners for housing rehabilitation. These funds come from the U. S. Department of Housing and Urban Development (HUD) and are administered at the State level by the Department of Housing (DOH).

The City of Torrington has retained L. Wagner & Associates, Inc. to coordinate its local Housing Rehabilitation Loan Program and to serve as the City's Program Consultant.

Types of work that may be eligible for funding include the correction of health and safety violations, code compliance, roofing, carpentry, electrical work, painting, plumbing, heating, and other non-luxury work subject to approval of the City.

If you participate in the Program, you should become familiar with several key elements. This pamphlet outlines the general procedure and process and answers some commonly asked questions.

APPLICATION & ELIGIBILITY

All applications must be fully completed and returned to the address listed on the back of the application. Applications are reviewed on a first come first serve basis.

Eligibility is based on a combination of household size and annual household income. Income documentation for each of the household residents over the age of eighteen must be submitted with the application. This documentation must include copies of a minimum of the last 4-6 pay stubs, the most recent Federal tax return, social security documentation, or other pertinent income verification. All tax returns must be signed.

TYPICAL REHABILITATION PROCESS

Initial Inspections

Once applicants are determined income eligible, the Program Consultant will contact the Owner to schedule an initial site visit. This inspection allows the Program Consultant to explain the Program in greater detail and to determine the specific needs of the property and what can be funded under this Program.

While many repairs are eligible, some may not be warranted depending on individual circumstances, cost, and the condition of the property.

All participating homes built prior to 1978 will be tested for lead based paint. Lead Based Paint Reduction/Mitigation efforts will be performed in accordance with Federal and State regulations if required.

The Building Official and, in some cases, the Fire Marshal and/or the Health Department may perform separate inspections of the dwelling to ensure that code related concerns are addressed. The Program Consultant will contact the appropriate parties and provide them with an outline of the proposed scope of work.

Scope of Work and Budget

After the inspections are performed, the Program Consultant will prepare a preliminary *Scope of Work and Budget* and estimate the value of the work proposed. This document is sent to the Owner for their review and approval. The Owner is responsible for verifying the accuracy of their proposed scope of work.

Specifications

Upon acceptance of the *Scope of Work and Budget* by the Owner, the Program Consultant will prepare more detailed specifications describing the project. The final specifications will be sent to the Owner

for their review and approval. These project specifications will then be used by interested contractors in submitting their bids.

The Bid Process

Upon receipt of the approved specifications, the Program Consultant will coordinate bidding with the Owner and schedule a pre-bid conference and bid opening date. The pre-bid allows interested contractors an opportunity to visit the site, review the work, and introduce themselves to the Owner. The pre-bid is held at the location of the project and usually lasts 45 minutes to 1 hour.

Bids are received and opened by the Town on behalf of the Owner. They are typically opened and read aloud at the Town Hall. Information is compiled and the Owner is notified of the bid results if not present.

Generally, the low bidder is selected by the Owner. If the low bidder is not a qualified contractor, the City may approve the bid amount of the next lowest qualified bid received. The Owner may select a bidder other than the low bidder, providing they pay the difference.

The Contractor is required to provide the Owner with current references, valid insurance, and licensing information. It is strongly advised that the Owner contact the references; even visit the referenced projects, if possible, to assist them in making their decision. The contract for the work is solely between the Owner and the Contractor.

Contract and Loan Closing

Once a contractor is selected, the Program Consultant will prepare contracts and loan documents. A meeting will be arranged for all participants to review and sign these documents.

Project Oversight

The construction contract is solely between the Owner and the Contractor. All scheduling, selections, and work arrangements shall be made between these two parties. The Program Consultant will periodically visit the site to ensure compliance with the City's grant requirements. The local agency having jurisdiction over the work will perform their customary inspections as part of the permit process.

Neither the City nor the Program Consultant is responsible for the Contractor's performance or quality of work. The Owner should advise the Program Consultant of any issues or problems during construction as soon as possible.

Payments

The Contractor receives no money down at signing and is paid in installments as the work is completed and approved by both the Owner and the City. The Owner, the Program Consultant, and the Contractor will meet to review the work and approve payments as the work is completed.

A two party check is issued by the City made payable to the Owner and to the Contractor. The check is sent to the Owner for endorsement and forwarded to the Contractor by the Owner.

The Contractor will provide signed and notarized lien waivers for each payment or as appropriate.

Warranty

The Contractor is responsible to the Owner to provide all warranty information and warranty their work for a minimum of one year upon completion.

OWNER RIGHTS AND RESPONSIBILITY

Under this Program the Owner has the right to withdraw their application at any time until the contract and loan closing. The Owner also has the right of rescission, to terminate the loan and contract within three business days of signing.

The Owner must disclose all required information in a timely manner. Any willful misrepresentation may result in the disqualification of an application.

The Owner has the right to hire any bidder they choose, as explained in the previous section on the bid process, subject to certain conditions.

All colors, models, and materials will be selected or approved by the Owner prior to installation. The Owner is responsible to respond to the Program Consultant and/or the Contractor with these decisions or any other decisions within a reasonable amount of time.

The Owner must make themselves reasonably available for inspections, pre-bids, work scheduling, and meetings.

The Owner must make their home available to the Contractor during normal working hours.

The Owner is responsible for the safe keeping of their possessions, moving, and storage of furniture unless otherwise stated in the contract.

The Owner cannot withhold payment to the Contractor for items not related to the contract or if the work has been approved by the Town.

While this brochure is meant to provide an overview of the Program and process, it does not cover every situation or individual case. Each application will be reviewed individually for compliance with Program guidelines.