



Housing Rehabilitation Pilot Program Guidelines

City of Medford

Office of Planning, Development and Sustainability

A. Program Summary

The City of Medford invites homeowners to apply for the Housing Rehabilitation Pilot Program. The Program aims to expand the availability of decent, safe, and sanitary housing within the city by offering low-interest, deferred payment loans of up to \$25,000 to eligible homeowners who live in owner-occupied homes in Medford.

This is a Pilot Program with limited funds for the first year. The Program aims to support two to four homeowners. To ensure equal opportunities for all eligible applicants, a lottery will be conducted. Program staff will hire a qualified rehabilitation specialist to determine the scope of work and identify qualified contractors through a bidding process.

The Program is funded through the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG).

Interested homeowners are requested to apply for this Program by October 20, 2024.

B. Project Definitions

1. *Program*: The Housing Rehabilitation Pilot Program offered by the City of Medford.
2. *Program Staff*: The City Staff and the [Community Opportunities Group](#) Staff that administer and manage the Program.
3. *Applicant*: Eligible homeowner applying for this Program to seek housing rehabilitation services and funding assistance for those services.
4. *Housing Rehabilitation Specialist*: An individual who determines housing rehabilitation needs, estimates costs, prepares bid documents, selects contractors, and monitors construction.
5. *Certified Lead Inspector*: An individual trained and licensed to determine the presence of lead-based paint in a home.
6. *Contractor*: A person or entity that agrees to perform housing rehabilitation work in a home.

C. Funding Assistance:

The maximum project funding for each residential unit is \$25,000. The funding assistance will be provided in the form of a mortgage loan bearing interest of 2% per year. Payment of the principal balance and any accrued interest will be due upon (i) the applicant ceasing to be an owner of the property, or (ii) the death of the applicant. The applicant will be required to provide proof of continued ownership annually.

D. Primary Eligibility Criteria

Applicants interested in participating in the Program must meet the following primary eligibility criteria:

1. Property Location: Residential structures must be in the City of Medford, Massachusetts.
2. Property Ownership: Low- and moderate-income homeowners who live in owner-occupied residences (including condominiums) are eligible applicants. If more than one person owns the property, all owners must be included in the application. The applicant’s household income must be at or below eighty percent (80%) of area median income as defined by HUD and published on an annual basis. **To be eligible, the total income of all persons 18 years or older living in the household, whether related or unrelated, must be at or below the HUD Income Limits listed below.**

HUD Income Limits:

Household Size	Maximum Gross Annual Income (FY 2024)
1	\$91,200
2	\$104,200
3	\$117,250
4	\$130,250
5	\$140,700
6	\$151,100
7	\$161,550
8	\$171,950

Source: [HUD FY2024 Income Limits Documentation](#)

Owners of condominium units must have approval of their condominium association to perform any work on exterior or shared areas. Approval may be necessary for interior rehabilitation work as well. Program Staff will require written approval by the condominium association as part of the application process.

3. Credit Status: Applicants must ensure that all mortgages or other loans secured by the property are in good standing. Applicants who are in bankruptcy proceedings must demonstrate that the property will not be impacted by the bankruptcy. The property should not have any state or federal tax liens. If any existing mortgage or other loan secured by the property is not in good standing (e.g., in arrears, default or foreclosure), please inform Program Staff. Also, notify Program Staff if the applicant is involved in bankruptcy

proceedings. Please note that the Program will not provide funding assistance to applicants who have not resolved the above-mentioned issues.

4. **Taxes, Water, and Sewer Payments:** Applicants must be current in the payment of property taxes, water and sewer fees, assessment and other government charges, fines, and liens before work on a rehabilitation project may begin and must keep current with such charges for the full term of the loan.
5. **Flood insurance:** If a property is within the 100-year floodplain, the applicant must provide proof of flood insurance coverage to be eligible for the Program.
6. **Lead Paint:** If the property was built before 1978, the applicant must report if the property has previously been tested to determine if lead paint is present, or if the property has been de-lead. Depending on the type of work requested by the applicant, the property may be subject to testing for lead, and if the presence of lead is detected the property may not be eligible for services under the Program.
7. **Radon:** The property must have a radon level below the action level set by the U.S. Environmental Protection Agency (EPA) of 4 picocuries per liter of air (pCi/L). That can be satisfied by one of the following:
 - a. If the property has been tested for radon within the past 5 years, and the applicant can provide radon test results showing a radon level below 4.0 pCi/L; or
 - b. If the property has an existing radon mitigation system, and the applicant can provide test results within the last 2 years showing a radon level below 4.0 pCi/L, and proof of the mitigation system installation as well as a maintenance plan that includes periodic testing of the system; or
 - c. If the property has not been tested for radon, please indicate the same in the application form and the property will be subject to radon testing. If the radon test shows a level at or above 4.0 pCi/L., a radon mitigation system must be installed in the property as a part of the work to be performed under the Program. The cost of the radon mitigation system would be included in the \$25,000 limit for work to be performed on the property.
8. **Environmental Review:** Prior to commencing any work, the city will conduct an environmental review of the property to confirm whether the proposed project has any potential environmental impacts in accordance with federal, state, and local environmental standards. If the city determines, in its sole discretion, that the project would create environmental impacts, the city will not proceed with the project.
9. **Eligible activities:** The Program will provide the following home improvement services up to the maximum project funding cost of \$25,000:

Radon testing and mitigation	Plumbing
Heating systems	Electrical
Foundation Repairs	Siding
Hot water heaters	Roof repairs and replacement
Insulation	Air-conditioning systems
Walls/ceilings/ floors	Porches/steps
Painting	Windows

10. Conflicts of Interest: The City of Medford must follow the regulations outlined in Massachusetts General Laws, Chapter 268A, and the standards in 24 CFR 92.356 concerning conflicts of interest. Individuals who currently hold or have previously held roles related to activities supported by CDBG funds, or who have the ability to participate in decision-making processes or access privileged information regarding these activities, are prohibited from obtaining any financial interest or benefit from a CDBG-assisted activity. They are also prohibited from having an interest in any contract, subcontract, or agreement related to such activities or their proceeds, either for themselves or for individuals with whom they have family or business ties, during their tenure or for one year after.

E. Application Process

1. All applicants are required to complete a Homeowner Application Form which is available:
 - on the City of Medford’s website: medfordma.org/housing-rehabilitation
 - at the Office of Planning, Development and Sustainability, Room 308, Medford City Hall, 85 George P Hassett Drive, MA 02155
 - at Medford Senior Center, 101 Riverside Ave, Medford MA 02155
 - at Medford Public Library, 111 High ST, Medford MA 02115
2. Applications will be prescreened, and eligible applications will be selected through a lottery. Successful applicants will be requested to provide documents for verification. If the applicant does not submit the requested information within 20 days, the review process will be terminated.
3. Once eligibility for the Program is determined, a Housing Rehabilitation Specialist will inspect the property and may also test for radon levels. A certified lead inspector may be required to test the property depending upon the age and nature of the building. The Housing Rehabilitation Specialist will work with the applicant to develop a scope of work and a cost estimate of eligible rehabilitation services.
4. The city will also complete an environmental review of the property.
5. After the home inspection and environmental review are completed, the Housing Rehabilitation Specialist will draft a Bid Invitation that lists all approved work for funding under the Program along with estimated costs.

6. Upon the applicant's approval of the project, the Housing Rehabilitation Specialist will submit the project for bid.
7. Contracts will be awarded to the lowest qualified bidder as determined by the bidding process for the subject property, if approved by the applicant. The awarded contractors will be subject to a name-based criminal record (CORI) and debarment check.
8. Program Staff will prepare loan documents, including an Assistance Agreement, a Promissory Note, and a Mortgage, between the property owner and the City of Medford, and a contract between the owner and the selected contractor.
9. Contractors must comply with all local and state permitting requirements and can only start work after receiving written notice to proceed from the City of Medford. Program staff will conduct regular inspections of the property to ensure compliance with the contract and scope of work.
10. Upon project completion, the Housing Rehabilitation Specialist will perform the final inspection of the property. Final payments to the contractor will be made after final inspections and with written acceptance from the applicant.

If you have any questions or would like additional information about the Housing Rehabilitation Pilot Program, please contact Adithi Moogoor, Staff Planner at amoogoor@medford-ma.gov or 781-475-5991.