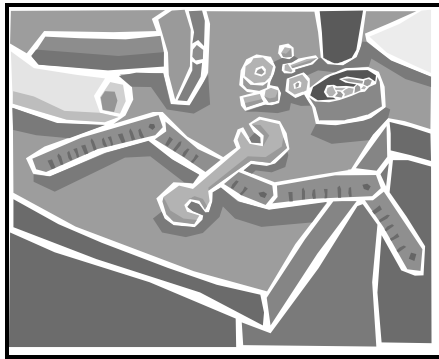


A GUIDE TO THE
HOUSING
REHABILITATION
CONSTRUCTION PROCESS



*Lexington-Fayette Urban
County Government*



Division of
Grants & Special Programs
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A telecommunications device for the deaf (TDD)
is available by calling 258-3606.

PURPOSE

The purpose of this brochure is to explain the housing rehabilitation process and to provide information on the obligations of the homeowner, the contractor, and the staff of the Division of Grants & Special Programs.

ABOUT THE PROGRAM

The Housing Rehabilitation Program is designed to help homeowners bring their houses up to the standards of the housing maintenance code. This program uses a "no frill" approach designed to make your house safe, warm, dry and protected from the elements (i.e. the program can help with a new roof, but not new carpet). Eligibility for the program is based on income and family size. This program provides funds and technical assistance so you can hire a contractor to repair your home.

APPLICATION AND SPECIFICATION

The first step is to call this office and request an application. A Preliminary Application will be mailed for you to complete and return. Once your application is received, your name is placed on the Rehabilitation Waiting List. The length of this list varies with the number of applicants and can be up to a year or more long. After your name reaches the top of the list, a Rehabilitation Specialist will contact you to arrange a time for an inspection and cost estimate of the work necessary to repair your house.

If it appears that your house is feasible (i.e. can be repaired for an amount not exceeding the maximum allowed construction costs), a Financial Specialist will contact you to schedule an appointment to complete a formal application and collect the necessary financial information to determine your eligibility for the program. You will be notified if any problems arise which

would cause you to be ineligible. If you qualify, the Rehabilitation Specialist will contact you for a second look at your home.

At this time, you will be asked to review the Work Specification to approve it or point out necessary changes. It is important for you to understand and approve the Work Specification as only the repairs listed on this document will be completed. Only minor and absolutely necessary changes may occur during construction.

SELECTING THE CONTRACTOR

The work on your house will be done by a private contractor. They will sign a contract with you to complete the work listed in the Work Specification for a specified amount. The contractor is selected by competitive bidding with the project being awarded to the lowest reasonable bidder.

You may invite any contractors you wish to bid on your job, and you may reject the bid of any contractor as allowed by the Rehabilitation Guidelines. However, the government's loan will not exceed the amount of the lowest qualified bidder.

All bidding will be done by homeowner invitation only. The Rehabilitation Specialist will supply copies of the Work Specification and the current list of qualified contractors that have participated in the Rehabilitation Program to the homeowner. The homeowner may contact any contractor on this list or may call other contractors that are not on the list. The Rehabilitation Specialist will also provide a Sign - In Sheet for all contractors to sign in. Bids will not be accepted from any contractors who do not sign the attendance sheet.

Homeowners are encouraged to ask contractors for references and business cards. Bid amounts are not to be discussed at all, prior to the opening of the sealed bids. If this condition is not adhered to, it may result in the homeowner and/or contractor being disqualified from the rehabilitation program. The homeowner must have at least three bids to open.

CONSTRUCTION

After selecting the contractor, a "Pre-Closing Conference" will be scheduled, in which you, the contractor, and the Rehabilitation Specialist will be present at your home to review the Work Specification and program guidelines. Once the "Pre-Closing Conference" has been completed, a "Closing" will be scheduled in which you, the contractor, the Rehabilitation Specialist and the Financial Specialist will be present. You and the contractor will sign loan and construction documents and discuss any questions. By law, there must be a 3-day waiting period before any work is done to give you time to cancel if you wish.

You must not allow the contractor to begin until all the paperwork has been signed and the contractor has been given a written notice to proceed. The contractor has a certain number of days to finish your job after which he must pay a fine. Since most contractors work on several jobs at once, they probably will not work on your house every day. Work will be scheduled as workers and supplies become available.

Living in a house during construction is not a lot of fun. It will be dusty and noisy and your life will be quite different for a month or so.

You should put away any valuables and breakables and be sure to tell your contractor of any special needs such as a freezer or fish tank which must not be unplugged or a favorite plant that must be protected.

Sometimes things don't go exactly as planned and problems will arise; please remember the work will be over in a few weeks and your house will be in much better condition.

SETTLING DISPUTES

Sometimes, despite best efforts, the owner and contractor cannot agree. In these cases, the contract requires any disputes to be settled through binding arbitration.

In this process, a panel will be selected to hear information from the homeowner and the contractor and make a decision which settles the difference between them.

WARRANTY

The contractor gives a one-year warranty on all work they perform, with five years for roofs. If problems arise after the job is completed, call the contractor and arrange for a time when they can come by. If the contractor does not respond, call Rehabilitation Specialist to notify them of your issue. Keep in mind, the contractor is not liable for work they did not do.

MAINTENANCE

It is your obligation to maintain your home after the job is complete. Such things as clogged sinks, frozen pipes, leaf filled gutters, and dirty furnace filters are your responsibility. If you have questions about home maintenance, your Rehabilitation Specialist can answer them for you.

WHAT YOU CAN DO

Become involved in the process. It is your house - you know it best. Tell the Rehabilitation Specialist about any hidden problems or special needs, such as where you need plugs for air conditioners or special appliances. Make sure you understand the Work Specification and its limitations. Talk with your contractor and your Rehabilitation Specialist as problems arise. If you wait until the job is completed, it may be too late. Expect the job to go smoothly but keep your eyes open and don't be upset if problems arise. Most problems are easily solved if everyone involved communicates openly. Having your house repaired can be irritating, tiring and traumatic. It will also be interesting, exciting and rewarding.



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