

Multifamily Homebuyer Series

Part 3: Rehab and Property Management

Introduction

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Tips on Viewing a Multifamily Property

**Rehab & Management
starts here!**

1. Property address:

2. # of units on the property

3. Size and number of bedrooms:

	Unit 1	Unit 2	Unit 3	Unit 4
Square feet of living space				
Bedrooms in unit				

4. Asking Price

(\$)

Type of structure:

- Stick
 Brick
 Manufactured home
 Mixed brick and stick
 Other : _____

5. Approximate age of structure:

6. Estimated viable remaining life (years) on structure (if no repairs were done):

7. Are any repairs of immediate concern?

8. Rate the following exterior conditions of the property

	Very good, No repairs needed	Good, Minor repairs	Fair, Moderate repairs	Poor, Significant repairs	Critical, Replace	Not Applicable
Roof	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gutters (incl. fascia boards, soffit)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Windows	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exterior doors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exterior walls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Foundation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Porches and balconies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Steps, walkway, ramp, and railings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yard (lawn, fencing, grading, drainage, retaining wall)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Chimneys	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fire Escapes, egress points	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. Are there any code violations in any of the above?

- Yes
 No

10. If Yes, explain here:

	Very good, No repairs needed	Good, Minor repairs	Fair, Moderate repairs	Poor, Significant repairs	Critical, Replace	Not Applicable
Windows, frames, and sills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interior doors and frames	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Walls and ceilings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Floor joists and stair supports	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flooring, floor coverings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Major appliances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Heating system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cooling system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Water system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sewer or Septic system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Electrical system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Insulation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Basement:

Does house have a basement	
Exterior Access /Type	
Exterior Access Condition/railing	
Interior Access Condition/railing	
What material is the foundation	
What is the condition of foundation	
What material is the floor	
Is there a vapor barrier/ Radon Displacement	
Is the basement dry	
Is there adequate lighting	
Is there insulation	
Are the sills visible/Condition	
Are floor joists visible/Condition	
Are the subfloors Visible/Condition	



Listing price: \$225,000

Four -2 bedroom units; current HUD gross Fair Market Rate is \$1,150 with heat hot water, cooking fuel, electric, and trash removal included in rent.

Credit: www.beangroup.com



Credit: www.beangroup.com



What do you notice about these photos?

Credit: www.beangroup.com

Home Inspections Protect the Buyer

Look at the major systems...

- ❑ Roofing (including gutters)
- ❑ Exterior: siding & fixtures
- ❑ Water test if there is a well
- ❑ Attic
- ❑ Interior condition & fixtures
- ❑ Kitchen
- ❑ Bathroom
- ❑ Septic system
- ❑ Basement & foundation
- ❑ Electrical systems
- ❑ Plumbing
- ❑ Water heater
- ❑ Heating systems
- ❑ Yard, driveway, walk ways

Budget Example: Purchase & Income

Listing Price	15% Down Payment	~Closing Costs	Cash to Close	Mortgage
\$225,000	\$33,750	\$8,000	~\$41,750+tax	\$191,250
Income	Per Unit/Month	Monthly Total	Annual Total	Vacancy Rate 10%
4 unit building	\$1,000	\$4,000	\$48,000	-\$4,800

Budget Example: Operating Costs

General Expenses	Monthly Total	Annual Total	Vacancy Rate 10%
Mortgage w?PMI	\$1816	\$21,792	
Taxes	\$362	\$4344	
water/sewer	\$250	\$3000	
Insurance (\$250,000)	\$170	\$2,040	
Total base cost	\$2,598	\$31,176	
	Cash reserves	\$16,824	\$1,6,82.4
Operating Budget Set up an account:	\$1260	\$~15,150	
Monthly Cost			
Snow Removal	\$75	\$900	
general maintenance	\$200	\$2,400	
Apartment turnover	\$150	\$1,800	
Total built in cost	\$425	\$5,100	
Remainder for saving		\$~10,000	

Budget Example: Replacement Costs

<u>System</u>			<u>Life span</u>
Heat	New Boiler \$8,000	Oil Tank \$3,000	20 years
Roof	\$10,000-\$40,000+		20-40 years
Plumbing	Bathroom \$5,000	Kitchen \$10,000	15-20 years
Siding	\$10,000- \$20,000		Paint 5-10 years
Windows	\$400 per window		25 years
Energy efficiency	\$6,000-\$12,000		20 years or more
Electrical upgrades (panel & rewire)		\$1500-\$15000	20+ years



**How to get
started**

Basics of Municipal Zoning Bylaws

Each community establishes its own regulations. They generally cover:

- Use of land and shoreland
- Dimensions, locations, maintenance, alteration and removal of structures
- Areas of land that can be occupied by structures
- Uses within river corridors and buffers

Figure 2-19. Residential Neighborhood Use Table

PERMITTED USES	
Single-family detached dwelling	Retirement housing
Single-family attached dwelling	Nature or recreational park
Accessory dwelling	Bus stop shelter
Duplex (2 units)	Utility structures
Triplex (3 units)	Communication antenna
Quadraplex (4 units)	Agriculture and forestry
Multi-family dwellings (5 or more units) in existing residential buildings	
CONDITIONAL USES	
Multi-family dwellings (5 or more units) in new construction	Religious facility
Other specialized residential structures	Fitness, sports, gym or athletic club
Congregate living	Grade school
Assisted living	Cemetery
Skilled-nursing services	Child day care
Bed and breakfast or inn	Services for the elderly and disabled
Rooming or boarding house	Air transportation facility
Shop or store ¹	Air transportation facility
Professional services ²	

¹ Limited to a neighborhood market up to 2,000 sf that is located on Western Avenue east of I-91 or on South Main Street.

² Limited to 2,000 sf unless it is located on Western Avenue east of I-91. There must be at least one dwelling unit on the property.

226.C **DIMENSIONAL STANDARDS.** The following standards apply to all development in this district in accordance with SECTION 212:

LOTS	SETBACKS OR YARDS	DENSITY	BUILDINGS
Size: 6,000 sf min	Front: 15 ft min – 40 ft max ^{AVE}	Nonresidential: 0.2 FAR max	Footprint: 4,000 sf max
Frontage: 60 ft min	Side: 10 ft min each side and 25 ft min combined		Frontage Build-Out: 30% min – 60% max
Coverage: 70%	Rear: 20 ft min		Height: 3 stories max
	Riparian: 25 ft min ^{PD} or 50 ft min ^{UN}		

AVE = May vary based on neighborhood average. See SUBSECTION 212.H.

PD = Previously developed lot. UN = Undeveloped lot.

See CHAPTER 510 for further guidance on interpreting dimensional standards.

Flood Hazard Areas

- Flood risks and costs
- Flood insurance
- Regulatory requirements
- Flood insurance for renters



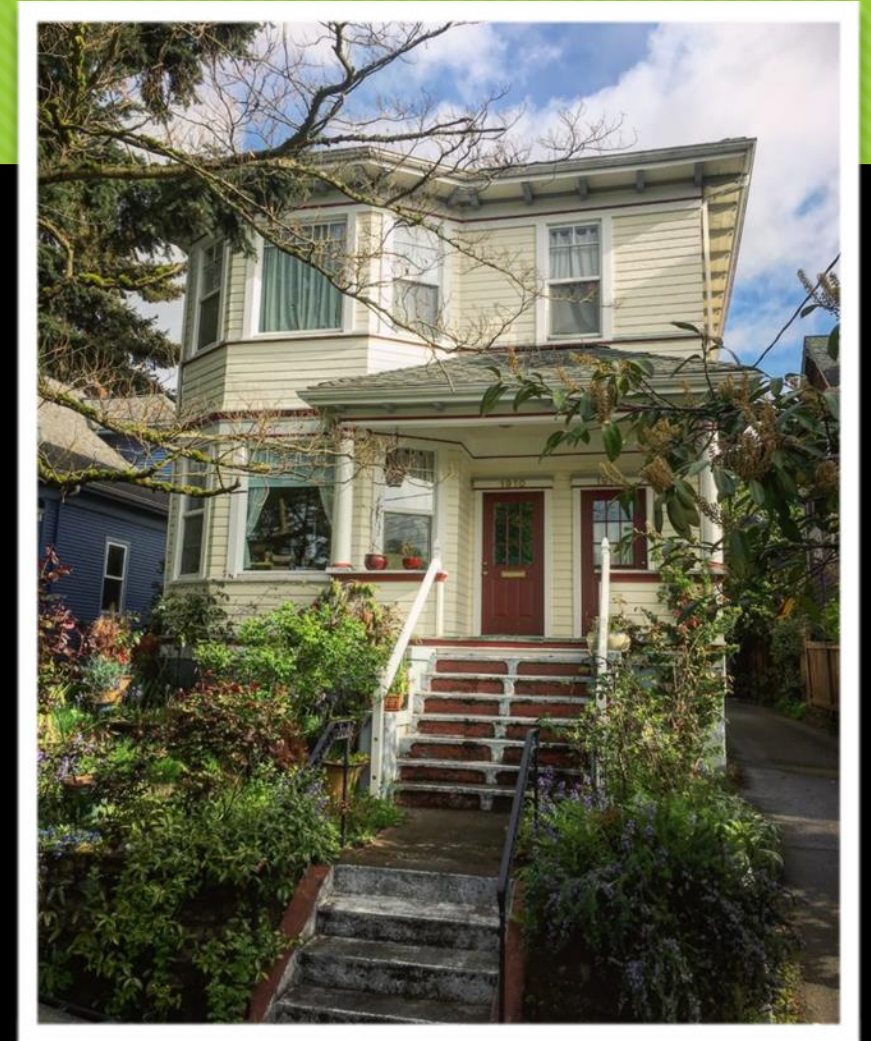
Design Review District/Historic Overlay

- new construction
- additions to existing building
- alterations to exterior facades
- alterations
- new signage on buildings or properties.



HOME Act

- **Duplexes:** Duplexes are allowed everywhere single-family homes are
- **Multi-unit bulidings:** Multi-unit dwellings of up to 4 units are permitted in areas with water and sewer service.
- **Dwelling unit density:** requires 5 or more dwelling units per acre in areas served by water and sewer.



HOME Act

- **Parking Minimums:** reduces parking minimums to no more than 1 parking space per dwelling unit.
- **Limits on Local Appeals:** Appeals of conditional use permits based on “Character of the area” standard are prohibited.
- **By-right development review:** If the project meets the basic standards in the zoning bylaw (e.g., lot size, parking, building size, height), other municipal standards, and permitting requirements, it must be allowed.



Do I need a Local Permit?

- Change of Use (e.g., single family to a duplex, 3 units to 5 units)
- Adding square footage
- Demolishing a structure or part of a structure
- Enclosing a deck or patio
- Adding an accessory structure (e.g., garage, shed, deck)



Other local considerations

- Administrative Permit vs. Development Review Board/Planning Commission approval
- Number of Bedrooms - If you are adding bedrooms to a residence (including within the existing square footage) you may need a new water and/or wastewater allocation.
- Driveway permits
- Rental Registration & Inspections

Do I need a State permit?

- You may need permits from the State. Call before you start construction!
State permit specialist – Rick Oberkirch 802-282-6488 or Rick.Oberkirch@vermont.gov
- Rental projects should contact: Patrick Banks, VT Dept. of Fire and Safety at 802-503-2696. Code compliance and electrical and plumbing permits and inspections are required.
- Understand the laws regarding asbestos and lead for renovation and demolition. File annual Essential Maintenance Practices certifications with the State.
<https://www.healthvermont.gov/environment/asbestos-lead/asbestos-and-lead-information-property-owners>

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CODE INFORMATION SHEET

PERMIT & LICENSING REQUIREMENTS

When do you need a state permit or license?

	DFS State Construction Permit	DFS Electrical		DFS Plumbing		Notes
		State Permit	License	State Permit	License	
Projects within a <u>Single Family Owner- Occupied home</u> that includes: new construction, alterations, renovations or the installation of fixtures.	NO	NO	NO	Yes*	Yes*	*Only if connected to a public water or sewer system
Projects within a <u>Rental Property or Apartment Buildings</u> having more than two units that includes: new construction, alterations, renovations or the installation of fixtures.	Yes	Yes	Yes	Yes	Yes	
Projects within a <u>Duplex or a Rental single family home</u> that includes: new construction, alterations, renovations or the installation of fixtures.	Yes	Yes	NO	Yes	Yes	
<u>Maintenance</u> projects with in a public building such as painting, replacement of broken fixtures with fixture that is an exact match.	NO	NO	Yes	NO	Yes	
<u>Public Building</u> Renovations, Additions, Alterations, Modifications and New Building Projects. See Annex I in Vermont Fire and Building Safety Code for definition of Public Building	Yes	Yes	Yes	Yes	Yes	Includes Fire protection systems, Fire alarm system, Fire sprinkler, Kitchen hood & suppression, Elevators Ect.
The erection of temporary tents greater than 1,200 square feet in a public location	Yes	Yes	Yes	x	x	

Vermont Fire and Building Safety Code section 7 (1) The owner, or a designated representative, of a building or premises shall obtain a construction permit before beginning any construction, addition, alteration, demolition or installation of fixed building equipment at the building site unless specifically waived by the AHJ.



**Funding
Multifamily
Repair**

Where to get help

- Windham and Windsor Housing Trust (WWHT)

www.homemattershere.org

- Vermont Housing and Conservation Board (VHCB)

<https://vhcb.org/our-programs/healthy-lead-safe-homes>

- Southeastern Vermont Community Action (SEVCA)

<https://sevca.org/weatherization>

- Efficiency VT

https://www.energystar.gov/about/content/efficiency_vermont_6

- 3E Thermal Capstone

<https://3ethermal.org/apartment-owners/>

Where to get help

- Brattleboro Area Affordable Housing

bahvermont.org/our-programs/apartments-in-homes/

- Town of Brattleboro Rental Housing Improvement Program

bahvermont.org/our-programs/rental-housing-improvement-program/

Vermont Housing Improvement Program

VHIP: \$30,000 grants to rehab out of code, or uninhabitable units of 0-2 bedroom, and \$50,000 for a 3 bedroom.

WWHT Website: VHIP link: <https://www.homemattershere.org/rental-rehab/>



Q&A