

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS, APPROVING GUIDELINES FOR OPERATION OF THE CITY OF DENTON HOME IMPROVEMENT PROGRAM AND ELIGIBILITY CRITERIA; AUTHORIZING EXPENDITURES IN EXCESS OF \$100,000 FOR PROJECTS MEETING PROGRAM GUIDELINES AND CRITERIA; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The City Council of the City of Denton recognizes the need to assist low and moderate income families in securing safe, sanitary and decent housing; and

WHEREAS, The City of Denton participates in a Home Improvement Program administered by the City of Denton Community Development Division and funded through a federal grant from the Department of Housing and Urban Development; and

WHEREAS, The City Council deems it to be in the public interest to approve the Program Eligibility Criteria for the 2016 Program year; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council approves the 2016 Home Improvement Program Guidelines and Home Improvement Program Eligibility Criteria which are attached hereto and made a part of this ordinance for all purposes as Exhibit "A" and authorizes the City of Denton Community Development Division to administer this program.

SECTION 2. The City Council authorizes the expenditure of funds in excess of \$100,000 by the Community Development Division for projects meeting Program Guidelines and Criteria, subject to compliance with competitive bidding laws, where applicable.

SECTION 3. This ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED this the \_\_\_\_\_ day of \_\_\_\_\_, 2016.

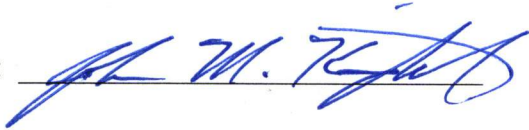
\_\_\_\_\_  
CHRIS WATTS, MAYOR

ATTEST:  
JENNIFER WALTERS, CITY SECRETARY

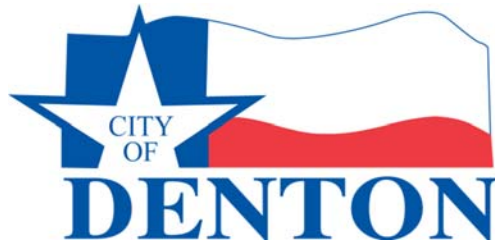
BY: \_\_\_\_\_

APPROVED AS TO LEGAL FORM:  
ANITA BURGESS, CITY ATTORNEY

BY:

A handwritten signature in blue ink, appearing to read "M. T. [unclear]", written over a horizontal line.

# Exhibit A



## 2016 Home Improvement Program Guidelines



Available in Spanish /  
Disponible en Español

Effective Date: 10/01/2016



**Applicant(s) Is Subject To Any  
Guideline Changes Prior to  
Contract Execution**

# TABLE OF CONTENTS

INTRODUCTION .....	4
Home Improvement Program .....	5
Description of General Program Procedures .....	5
I. PURPOSE .....	5
II. DESIGNATED AUTHORITY .....	5
III. ELIGIBILITY REQUIREMENTS: .....	5
IV. APPLICATION PROCESSING .....	9
V. SELECTION OF RECIPIENTS FOR ASSISTANCE .....	10
VI. WAIVERS AND APPEALS PROVISION .....	11
VII. FINANCIAL ASSISTANCE .....	11
VIII. CONTRACT REQUIREMENTS .....	12
IX. PROJECT FEASIBILITY CRITERIA .....	14
X. PROJECT COST LIMITS .....	15
XI. ALLOWABLE EXPENSES .....	16
XII. PROGRAM ACTIVITY OPTIONS .....	16
A. Owner-Occupied Rehabilitation .....	17
B. Optional Reconstruction .....	17
XIII. CONTRACTOR SELECTION AND PROJECT MONITORING .....	17
XIV. PAYMENTS TO CONTRACTOR .....	20
XV. CONTRACTOR DEBARMENT .....	20
APPENDICES LIST .....	22
APPENDIX 1 Qualifying Income Limits for Federally Assisted Programs .....	23 & 24
APPENDIX 2 Targeted Neighborhoods Map .....	25
APPENDIX 3 HOME Certification and Participation Agreement .....	26
APPENDIX 4 Temporary Rehousing Questionnaire and Agreement .....	30
APPENDIX 5 Space & Amenity Allowances For Reconstruction Activities .....	32
APPENDIX 6 LBP Hazard Control Relocation Policy and Procedure .....	34

## INTRODUCTION

The City of Denton **Home Improvement Program's** objective is to assist low and moderate-income families in securing safe, sanitary and decent housing. This objective is accomplished through owner-occupied rehabilitation and optional reconstruction activities. Rehabilitation of an owner-occupied dwelling corrects code violations and makes needed repairs. If a dwelling is not feasible for rehabilitation, the applicant may be eligible for a replacement single-family dwelling. Optional reconstruction activity provides funds to demolish dilapidated dwellings and construct new modest, energy efficient and safe single-family dwellings on owners' lots.

The Home Improvement Program is administered by the City of Denton Community Development and is funded by federal grant dollars from the United States Department of Housing and Urban Development (HUD), participating owner funds, program income and other grant and private dollars, when available.

The following pages contain a detailed description of the **Home Improvement Program** including program and project guidelines, application instructions and project bidding process. The purpose of the guidelines is to explain to potential applicants and the citizens of Denton, the Home Improvement Program and the levels of assistance available. For further information or clarification of the guidelines, please contact the:

**Community Development Division**

**601 E. Hickory Street, Suite B**

**Denton, Texas 76205-4303**

**(940) 349-7726 (Office)**

**(940) 349-7753 (Fax)**

Located at City Hall East – 2<sup>nd</sup> Floor

Enter Building's West door on Railroad Street

ADA/EOE/ADEA

Texas State Relay (telephone device for the deaf): TDD (800) 735-2989



# **Home Improvement Program**

## **Description of General Program Procedures**

### **I. PURPOSE**

- A. The City of Denton Home Improvement Program provides technical and financial assistance for eligible low and moderate-income households to complete rehabilitation or reconstruction of their principal residence.
- B. Assistance shall be subject to the availability of program funds. Administrative procedures will be modified to meet any change in rules and HUD regulations that may occur over time.

### **II. DESIGNATED AUTHORITY**

- A. Administrative authority for implementation of the program will rest with the City of Denton Community Development Division. Community Development staff approves contractual and budget changes, as needed for project completion.
- B. The Community Development Administrator will have the responsibility for final determination of the amount of assistance available to individual applicants, in accordance with the program guidelines, policies and procedures.
- C. The Community Development Administrator will be responsible for approval of applicant eligibility for the program and final approval of applicants to be assisted.

### **III. ELIGIBILITY REQUIREMENTS:**

Eligibility requirements must be met for both the applicant's household and the property. Eligibility for assistance is completed in two phases as described in sections A. and B. below.

- A. Applicant(s) / Household Eligibility Requirements:
  - 1. Must be a United States citizen or a legal resident alien.
  - 2. Must own, currently occupy and have occupied the dwelling for at least the past two consecutive years. (The period of time an applicant has lived in a property under a lease for purchase or contract for deed form of purchase may be taken into consideration in calculating the two consecutive years.)
  - 3. Must hold a Fee Simple Title to the property. City staff will verify ownership through a general title search.
    - a. If applicant is purchasing their home by a "contract for deed" (or a like contract), where applicant does not gain title to the property deed until all contractual obligations have been met, applicant is not eligible for assistance. The seller must provide the purchaser with a filed warranty deed on the property to satisfy this eligibility requirement.
    - b. If applicant(s) inherited the property, the legal documents establishing applicant(s) has fee simple title to the property must be on file in the Denton County Clerk's Office. Applicant must provide proof of financial responsibility for the property (i.e. tax payments, and/or utility payments, fee simple title, executed, filed

affidavit of heirship, etc.), and, proof of residency, both, for not less than the most recent two consecutive years.

4. Must meet program's income limits.
  - a. Gross annual total household income is at or below the following, adjusted for family size. Current maximum income limit by household size is (income limits effective 3/28/2016):

Rehabilitation / Reconstruction 80% of the AMI	
<u>Household Size</u>	<u>Maximum Income Limit</u>
1	\$40,150
2	\$45,900
3	\$51,650
4	\$57,350
5	\$61,950
6	\$66,550
7	\$71,150
8	\$75,750

- b. Must not have assets (total combined for all household members) in excess of \$100,000.

NOTE 1: The appraised value of the applicant's property is excluded in total assets calculation.

NOTE 2: Household income is calculated based on HUD's *Technical Guide for Determining Income and Allowances for the HOME Program* as described in the City's Home Improvement Program Policies and Procedures Manual.

5. Must have acceptable credit under the City of Denton Community Development underwriting policy. Applicant(s) must exhibit the financial ability to pay creditors, including the following basic housing expenses:
  - a. Home Mortgage Payment, including the loan with the City of Denton for Home Improvement assistance;
  - b. Loan and revolving credit payment(s);
  - c. Property Taxes (City, County, DISD) for all owned properties;
  - d. Homeowner's Insurance Policy premiums;
  - e. Utilities: electrical/water/sewage/solid waste and gas.
6. Must not have any active levy or judgment against applicant(s) or the property.
7. Applicants denied assistance due to poor credit history may be reconsidered for the program upon verifiable completion of six (6) consecutive months of successful debt management with GreenPath Debt Solutions, [ww.greenpath.com](http://ww.greenpath.com) or other debt management companies. Note: Debt management will be recertified prior to signing contracts.

8. Must demonstrate that current and projected income exceeds projected housing expenses and would allow the applicant to maintain the dwelling.
9. Homeowner may be required to provide owner contribution toward project cost (see Section VII.A.).
10. Pre-existing mortgage note balance cannot exceed 80 percent of the property's after appraised value for rehabilitation and 70 percent of the property's after appraised value for reconstruction.
11. See "household" guideline at section III.B.10.a. below.

NOTE: The City of Denton reserves the right to request an independent market analysis.

#### B. Property Eligibility Requirements

1. Must be zoned to allow for single-family construction and be situated in a Targeted Neighborhood within the city limits of Denton (Refer to Targeted Neighborhoods Map - Appendix 2).
2. Must exhibit building code deficiencies that make the dwelling unsafe or unsanitary.
3. Structure must be more than 15 years old.
4. May not have existing property code violations (such as high weeds, trash, debris, junk vehicles, etc). Any liens placed on a property for correcting any past or present code violations must be paid in full by the time application processing occurs. Any items cited as a code violation on the property must be corrected or removed before assistance is provided.
5. Must be serviced by or be accessible to City-approved water supply, sanitary sewer and electrical system.
6. Must meet all of the City of Denton's Land Development Codes.
7. Must comply with and meet all environmental regulations; i.e., historical, floodplain, noise, lead, etc.
8. May not exceed Community Development Replacement Housing Space Allowances Policy for reconstruction. Projects that would exceed the set standards due to property deed restrictions or neighborhood minimum requirements are not eligible for assistance.
9. Must be covered by an approved homeowner's insurance policy.

NOTE: If an applicant's property is not currently insurable because of its present condition or the property is going to be reconstructed, the applicant must sign a HOMEOWNER AFFIDAVIT OF UNDERSTANDING AGREEMENT FOR HOMEOWNER'S INSURANCE to satisfy this eligibility requirement. Proof of homeowners insurance must be provided at completion of a rehab or reconstruction.

10. Households and/or properties previously assisted through this program may or may not be eligible for additional assistance as follows:
  - a. A household that has received assistance to rehabilitate or reconstruct a home that they subsequently sold is not eligible for assistance on another housing unit.

- b. A property that received rehabilitation assistance after August 1994 when the total dollar amount spent was above \$40,000 is not eligible for additional assistance from this program.
- c. A property that received rehabilitation assistance before August 1994 may be eligible for additional assistance when all liens have been paid and released.
- d. A property that has received reconstruction assistance is not eligible for additional assistance from this program.

#### IV. APPLICATION PROCESSING

- A. To be placed on the **waiting list**, applicants must meet the following criteria:
  - 1. Household's total gross annual income does not exceed current program income limits (See Appendix 1).
  - 2. Property is occupied by the owner and is their principal residence.
  - 3. Property is located in a Targeted Neighborhood (see Appendix 2).
  - 4. Property meets all requirements in Section III.B.
  - 5. Applicant must complete a *Waiting List Application Form* and attach a copy of their property deed or proof of ownership. (*Waiting List Application Forms* are available at the Community Development Division, 601 E. Hickory Street, Suite B Denton, Texas, 76205, 940-349-7726.)

- B. Upon submission of a waiting list application to Community Development, applicants are placed on the waiting list in the order in which their application was received.
- C. When applicant reaches the top of the waiting list, they will be notified in writing to complete the application process and must provide all items requested on the checklist. In addition to checklist items, further documentation may be required to process application.

NOTE: Contact deadline dates will be specified in the *notice to apply letter* from Community Development. Applicant must schedule an appointment to apply and must submit required application information prior to the stated deadline. These deadlines are strictly enforced.

- D. Application information regarding household income and composition must be complete, accurate and up-to-date. All information will be verified by Community Development staff.

Any intentionally falsified information will cause the application to be rejected and the applicant will not be allowed to reapply. Failure to disclose information that may affect eligibility requirements shall also constitute fraud. Applicants shall be required to make full restitution to the City in the event Community Development services are provided to applicants who provided inaccurate or incomplete information in order to meet eligibility requirements.

- E. Applicant must provide a detailed personal budget that includes the household's expenditures and net incomes to determine if household has enough discretionary income available to pay back a loan to the City.

- F. Applicant must attend a homeownership workshop, with emphasis being placed on maintenance, budgeting, cost effective decorating, and responsibilities of home ownership.
- G. Community Development staff will notify eligible applicant(s) of the financial assistance category he/she is eligible for under the program guidelines. Applicant will be notified that final eligibility for assistance is determined upon completion of the feasibility study of the property. Ineligible applicants will be notified of the reason their application for assistance is being rejected.
- H. Any applicant who feels that s/he has been unjustly denied assistance under the Home Improvement Program should follow the appeal procedure outlined in Section VI.

## **V. SELECTION OF RECIPIENTS FOR ASSISTANCE**

- A. Assistance will be provided to households based on the following:
  - 1. Households assisted. Assistance will be provided on a first come, first served basis. The date upon which the Eligibility Certification Part I was approved will be used to determine the order of assistance.
  - 2. Funding availability. The HIP Program project targets stated in the Action Plan must be met. If funds needed to complete a project are not available, the applicant will be assisted based on the date of application submission when funds become available.
  - 3. Funding available for reconstructions. Annual (CD program year) HIP funding will assist a maximum of two reconstructions. All other funding available will be used for rehabilitation of existing units. However, if no housing units on the waiting list are viable rehabilitation projects, additional reconstructions may be necessary to meet Federal expenditure requirements.
- B. Community Development Staff will provide counseling and assistance as needed to facilitate the applicant's rehousing/housing, including the following:
  - 1. Information on the program and rehousing/housing options available.
  - 2. Assistance in soliciting bids for replacement housing.
  - 3. Assistance in contractual compliance between applicant and contractor.
  - 4. Assistance in inspection of construction of replacement dwelling, if applicable.

## **VI. WAIVERS AND APPEALS PROVISION**

- A. Request for Waiver: The City of Denton Home Improvement Program must follow specific guidelines in order to assure proper administration and management. In the event that an applicant feels that his/her circumstances require special consideration, s/he may request, in writing, a waiver from the usual requirements. All requests should specify the requirement(s) to be considered for waiver and state the applicant's reason(s) or special circumstances why s/he believes a waiver should be approved. The Community Development Administrator will review requests on a case-by-case basis. Applicant will be notified in writing of the final decision.

## VII. FINANCIAL ASSISTANCE

- A. **Owner Contribution** is a percentage of the total project cost that the applicant must provide at contract signing. These funds are held in an escrow account and will be expended before City funds are used when making contractor payments. The owner contribution increases on a sliding scale as household income increases. See Appendix I for percent of owner contribution by income ranges and family size.
- B. **City of Denton Funds:** The City of Denton will fund the remaining project costs using Federal HUD CDBG and HOME dollars, program income and private funds, when available.
- C. **Term of the Note** is determined by the activity to be completed and/or total project cost as follows:

<u>Activity / Project Cost</u>	<u>Term</u>
Rehabilitation/Below \$10,000	60 months (5 years)
Rehabilitation/Between \$10,000 - \$25,000	120 months (10 years)
Rehabilitation/Above \$25,000 - \$45,000	180 months (15 years)
Reconstruction or Rehabilitation/Above \$45,000	240 months (20 years)

- D. **Financial Assistance Levels:** There are two types of financial assistance:
1. Two-part loan that includes a payable and deferred loan.
  2. Deferred loan. Forgiveness loan will be provided to seniors, age 62 and above, who are at the income level below 50% of HUD median income.

See Appendix I for income ranges by household size, *payable to deferred loan ratios* and description of *Payable* and *Deferred loans*.

- E. Applying to the Home Improvement Program is voluntary. Funds for temporary relocation are not provided.

## VIII. CONTRACT REQUIREMENTS

- A. The City of Denton will be in the first lien position. When a first lien position is not possible, the City may accept second lien position, subject to the review and approval of the Community Development Administrator. Liens are released once all the requirements and conditions of the deed and promissory note have been met.
- B. **DEFAULT ON CONTRACT:** If the applicant defaults on their contract, the lien will be called due in full, and referred to the City of Denton's Legal Department to begin acceleration of the note as allowed by law. The City will make every effort to work with the applicant to avoid foreclosure and will examine each situation on a case-by-case basis. Examples of loan default include, but are not limited to: 1.) Delinquent loan payments; 2.) Failure of grantee to reside in the assisted dwelling unit as the principal residence of applicant; 3.) Failure to maintain adequate homeowner insurance coverage; 4.) Failure to pay property taxes when due; 5.) Failure to pay utility bills when due.
- C. **SALE OF PROPERTY:** In the event the grantee sells the property prior to maturity of the note, the sum of the unpaid balance of the loan and the unforgiven balance of the deferred loan amount will become due immediately. Under no circumstance will assistance be provided to grantee on any future property purchased.

D. **DISCONTINUATION OF RESIDENCY:** In the event the owner(s) no longer resides in the unit due to death or a permanent medical condition and the heirs/owner decide to sell the property, the City of Denton will accept as settlement of the note the **lesser of**:

1. Sixty-five (65) percent of the property's market value at the time of sale (the City reserves the right to conduct an independent appraisal), **or**,
2. Payment of the entire loan balance (both payable and forgivable) owed at the time of grantee's death or date grantee was no longer able to reside in his/her home due to medical reasons.

If the heir(s) decides a family member will permanently reside in the property, the City of Denton will negotiate a modified and/or continuation of the note depending on beneficiary income and ownership circumstances. If the heirs decide to set up the property as a rental unit, they will pay the balance due as calculated in "D" above and may request a monthly payment arrangement. The heirs will be required to 1) gain simple fee title ownership to the property; 2) complete the application process providing household income and backup documentation, when an heir will become owner; and, 3) sign a Modification of Note and Lien.

NOTE: Invoicing on the balance due will resume in three (3) months from "event" date unless other arrangements are requested by heir(s) and approved by the Community Development Administrator.

E. **TEMPORARY DISCONTINUATION OF RESIDENCY:** In the event the owner(s) temporarily discontinues residence due to a medical condition, but has an all intention to return to the primary residence; owner must continue to make timely loan payments and comply with the following:

1. Keeping the property in good repair and condition;
2. Paying all taxes and assessments on the property when due;
3. Preserving the lien's priority as it is established in this deed of trust;
4. Maintaining in a form acceptable to Beneficiary, an insurance policy;
  - a. If a house remains vacant for 60 days or longer, an insurance company could cancel the policy, or deny claims. It is the homeowner's responsibility, if the home is vacant for more than 60 days, to ensure that the house has required insurance coverage. Homeowner is responsible for contacting their insurance company to ensure coverage. Coverage must comply with the following:
    - covers all improvements for their full insurable value
    - contains a replacement cost coverage clause for the reconstructed structure
    - provides fire and extended coverage, including windstorm coverage
    - protects Beneficiary with a standard mortgage clause
    - provides flood insurance at any time property is in a flood hazard area.
  - b. After homeowner returns home, it will be the homeowner's responsibility to ensure that the policy is a homeowner's insurance policy and complies with all contract requirements.

- F. **LOSS OF HOUSEHOLD INCOME:** If, after the project begins, a household experiences a permanent, substantial loss of household income, an applicant may request a re-evaluation of their total annual gross household income. This evaluation may result in a decrease in the payable portion of the note. *The loss of income must be from an income-earning household member(s) whose income was used in determining the original loan assistance category.* **Please note:** Loss of employment (voluntarily or involuntarily) is not considered a “permanent loss”. For purpose of this program “permanent loss” is defined as:

1. death
2. retirement (must be 62 years of age or older)
3. permanent disability
4. Other substantial permanent loss of income, when approved by Community Development Administrator.

All household members must complete all income information and forms as required in section IV, Application Processing - Application processing will be completed to determine if an adjustment and/or extension to the payable portion of the note is eligible. A determination will be made after evaluating the household size and income using the program guideline income limits and financial assistance categories that are being used at the time the request for reduced loan payment is made. When a loan adjustment and/or extension is granted, the applicant must sign a Modification and Extension of Real Estate Note and Lien reflecting the adjustment and/or extension of the note.

## IX. PROJECT FEASIBILITY CRITERIA

- A. A decision as to the type and amount of assistance an applicant is allowed is based on the feasibility of a property to be rehabilitated. An assessment will be completed using the following factors:
1. Determine if the rehabilitation cost will be affected by: the zoning of a property, a property being located in a designated 100-year floodplain or floodway, a need to abate possible presence of lead-based paint, possible historical restoration requirements, or if a rehab will reduce noise levels if property is in a high noise area.  
  
NOTE: The Floodplain Management regulations may limit the total cost of all non-code repairs for any dwelling located in a designated 100-year floodplain to 50 percent of a property’s pre-rehabilitation appraised value as set by the Denton Central Appraisal District (dwelling [not land] value only).
  2. Determine if the framework and foundation of a dwelling are stable, or can be made stable through rehabilitation. (May allow for structural engineer evaluation of structure when staff cannot determine.)
  3. Lead-based paint hazard reduction techniques will be used when lead-based paint exceeds HUD’s acceptable limits for lead content in existing paint. The limits for lead content exceed HUD’s limits when lead content exceeds 1 mg per cm<sup>2</sup> (one milligram per centimeter squared), or 5000 ppm (parts per million). The reduction techniques used by this program are described and found in the U. S. Department of Housing & Urban Development’s publication, Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing, issued June 1995.

**NOTE:** The homeowner may be required to make arrangements for household's relocation if it is required in the Homeowner Protection Plan for Lead Based Paint Hazard Control work. See Lead-Based Paint Hazard Control Policy & Procedure for more information.

4. Is a room addition(s) needed to relieve serious overcrowding?

**NOTE:** Room additions and improvements to relieve serious overcrowding may be eligible and require the approval of the Community Development Administrator.

- B. A structural evaluation and project cost determination is completed. Projects that will exceed the Project Cost Limits (Section X) are not eligible for rehabilitation assistance. Applicant may be referred for optional reconstruction assistance.

## **X. PROJECT COST LIMITS**

- A. A rehabilitation project must meet all of the following tests to be considered feasible to rehabilitate. Projects not feasible for the rehabilitation activity may be eligible for reconstruction and must meet the cost criteria in items 2 and 3 of this section.
  1. **Rehabilitation:** Using the post project square feet (properties less than 1000 SF use 1000 SF to calculate), rehabilitation is limited to \$60 per square foot of total living space up to a maximum bid limit of \$75,000, plus 10% for potential change orders. Exceptions: An additional \$10 per square foot may be available to comply with lead reduction. An additional \$10 per square foot may be available to comply with historical requirements. When rehabilitation includes either lead-based paint and/or historical work, a project bid is limited to a maximum of \$80,000, plus 10% for potential change orders.
  2. **Reconstruction:** Bids submitted contractors must be reasonable and must not exceed more than 5 percent of Community Development's cost estimate.
  3. The after project appraised property value will not exceed 95% of the current Existing/New Homes HOME Purchase Price Limit =or After-rehab Value Limits for Denton as established by HUD (See Appendix I).
- B. **PROGRAM MINIMUM LIMITS FOR Home Improvement projects:** A dwelling needing less than \$5000 of repairs is not eligible for Home Improvement Program assistance.

## **XI. ALLOWABLE EXPENSES**

Federal CDBG and HOME grant funds will be used to pay for eligible project costs to complete substantial rehabilitation of existing owner-occupied properties and reconstruction of substandard owner-occupied properties. Some allowable fees are:

- Cost of room addition(s), to relieve serious overcrowding when approved by the Community Development Administrator.
- Demolition of substandard structures as needed to complete projects.
- Costs necessary to build modest, energy efficient, safe and sanitary replacement of principal residences
- Other eligible expenses the Community Development Division determines necessary to facilitate the completion of activities allowed by this program (Example: title search, filing fees, platting, engineering reports, permit and tap fees, etc.)

- Eligible administrative costs.
- Other fees and costs as allowed by the CDBG and HOME regulations.

**NOTE:** Funds for temporary relocation during project construction are not provided.

## **XII. PROGRAM ACTIVITY OPTIONS**

The Home Improvement Program provides three options. The process required for all activities will be:

### **Process**

- CD staff will complete a project feasibility study. This inspection will include a detailed evaluation of all deficiencies needing to be addressed to bring the dwelling up to minimum program standards.
- Activity option determined based on feasibility criteria (Section IX.).
- Project details completed and approved by applicant.
- CD staff completes a cost estimate of the work to be completed.
- CD Administrator certifies the project as "eligible" or "not eligible."
- If eligible for reconstruction, applicant must sign the Temporary Rehousing Questionnaire and Agreement (Appendix 4) or for rehabilitation of homes built before 1978, the Lead Based Paint Hazard Control Relocation Policy and Procedure (Appendix 6).
- Bid packet is prepared, bid out as described in Contractor Selection and Monitoring (Section XIII), owner chooses contractor from eligible bids, contracts are signed and project begins.
- The City's Building Inspections and CD staff inspects project's progress routinely to ensure compliance with City codes and project specifications. Community Development staff completes final inspection.
- For reconstruction activity, owner must have utilities connected and provide proof of homeowner's insurance before property can be occupied.
- Project is closed upon contractor receiving contingency payment; owner receives loan payment schedule; invoicing begins.

In the event a procedure is not addressed in these guidelines the Program Manager will determine the best course of action.

### **A. Owner-Occupied Rehabilitation**

This activity will assist eligible applicants to rehabilitate single-family principal residences by making needed repairs with the first priority being to correct code violations. This activity is eligible when a completed project will yield a structurally sound, safe, sanitary and decent single-family dwelling that meets City's building codes (see Section IX).

### **B. Optional Reconstruction**

The reconstruction activity is offered when existing dwellings are not feasible for rehabilitation. Optional reconstruction provides funds to demolish existing dilapidated dwellings and reconstruct modest, energy efficient, safe and sanitary replacement single-family dwellings.

### **XIII. CONTRACTOR SELECTION AND PROJECT MONITORING**

All applicants are responsible for finding a contractor who will develop a proposal to complete approved home improvement activity. Eligible applicants may request assistance from Community Development staff to help homeowner with the bidding process. The homeowner may elect to seek a bid proposal from a qualified contractor of their choice. Bids by contractors submitted by the applicant must be reasonable (within 10 percent, high or low, of the Community Development cost estimate). Contractors selected by the applicants must meet eligibility and insurance requirements.

Contact any reputable and experienced contractor and request a bid for the required work.

IF YOU HAVE ANY TROUBLE FINDING A CONTRACTOR, contact any of the following places for assistance:

- Your local Better Business Bureau
- Any friends or neighbors who have had remodeling done to their properties.
- Chamber of Commerce
- Community Development Contractor's List

When a contractor comes to meet with you, you should:

- Show him/her the mandatory work items that have been identified by the Community Development per the work write up, construction plans and project standards.
- Advise him/her that the bid proposal must be returned to you for submission to the rehabilitation program by a due date.

#### **DO NOT SIGN ANY AGREEMENT WITH THE CONTRACTOR.**

Owner must submit the contractor's bid proposal to the Community Development at 601 E. Hickory Street, Suite B Denton, TX 76205.

The Community Development staff will review the proposal to verify that:

1. The contractor is licensed and has all City-required insurance coverage.
2. All required improvements have been included in the bid.
3. The proposed work is in conformance with the program's General Specifications.
4. All proposed costs are reasonable (as verified by CD staff prepared cost estimate).
5. The contractor chosen by owner has not been disqualified by any local, State or Federal government agency.

Any contractor whose name appears on the most current HUD or City of Denton Debarred Contractor's List will not be eligible to participate in this program. References will be checked and claims of substandard workmanship will be cause to declare a contractor ineligible. The contractor must also submit all required proof of insurance forms and bonds (if applicable). Failure to submit these will result in rejection of the bid proposal.

The bid proposals that are submitted by the applicant will be reviewed by Community Development to determine if the total bid price is reasonable per cost estimate and under the maximum allowable amount. THE CITY OF DENTON AND THE APPLICANT RESERVE THE RIGHT TO REJECT ANY AND ALL BIDS.

If the Community Development Administrator approves the bid proposal submitted by the applicant, the Community Development staff shall proceed.

A construction contract must be signed. Before the contractor can start work, the applicant must issue a notice to proceed. After the owner's three day right of rescission has passed, contractor must apply for and obtain approved appropriate building permits as required by the City of Denton Building Inspections Division before any work may begin. When a project involves reconstruction of a substandard home, contractor must have an approved building permit in hand prior to applying for a permit to demolish the substandard structure.

The contractor's work will be monitored by the applicant, Community Development staff and the City of Denton building code inspector. If the applicant considers any work done by the contractor to be unsatisfactory or incomplete, the applicant should advise the contractor of the discrepancy and ask that it be corrected. In the event a dispute exists between the applicant and the contractor with respect to the work, the City shall take appropriate action in accordance with the provisions of the construction contract to assure that the applicant is satisfied before making any payment to the contractor. In the event a dispute cannot be resolved, the Department Director shall consider all pertinent facts and shall decide an appropriate course of action to resolve the dispute.

#### Acceptance of Work

1. Final Inspection: In order for the contractor to close out a project, a final inspection shall be made by the City of Denton building code inspector, the Community Development staff, and the applicant. If the final inspection results in no additional work or no specified corrections, the applicant shall sign final payment request stating that all work has been completed to their (applicant's) satisfaction. The building code inspector shall sign a final inspection form to confirm the same. At this time, the contractor is advised to submit to the Community Development copies of all warranties and releases of liens from subcontractors and suppliers prior to contingency payment.
2. Warranty of Work As stated in the contract, the contractor shall guarantee the work performed for a period of at least one-year from the date of final acceptance. The contractor will return in thirty (30) days and ask the applicant if any additional repairs are necessary. Any deficiencies or necessary repairs to specified work will be completed at this time.

#### **XIV. PAYMENTS TO CONTRACTOR**

- A. The contractor shall receive approved final payment, minus a 10 percent contingency, for completed contract within 15 working days after final inspection approval. The contingency is calculated on the final contract amount by adding the total project bid amount plus or minus change orders, minus, if applicable, the cost for demolition. Contingency is withheld for thirty (30) days from the date of final acceptance by Community Development staff. After thirty days, if no additional or warranty work remains, the contractor must request written approval from owner and CD staff to release withheld contingency funds. Contractor

must endorse the Mechanic's Lien Note over to the City of Denton and sign a release of note and lien of the Mechanic's Lien Contract before contingency payment can be released.

- B. A contractor may request interim-project payments throughout the course of the project. Interim payments will be made available to the contractor upon applicant and CD staff approval of any contract work that has been completed. Contractor will submit a CONTRACTOR REQUEST FOR PAYMENT AND PERIODIC STATEMENT form to the applicant when requesting payments.
- C. An "All Bills Paid" affidavit and release of lien from all subcontractors and suppliers must be submitted to the Community Development before final payment can be released to contractor. Any electrical, plumbing, mechanical, window and/or other required permits, Energy Star certification, when required, and termite inspection report must also be submitted to the Community Development prior to releasing contingency payment to the contractor.

## **XV. CONTRACTOR DEBARMENT**

- A. A contractor will be declared ineligible to participate in projects funded by the City of Denton Home Improvement Program for one or more of the following causes:
  - 1. Failure to complete a project within the prescribed contract period.
  - 2. Failure to complete warranty repairs within a reasonable time period.
  - 3. Failure to use licensed plumbing and electrical subcontractors.
  - 4. Failure to obtain City-required insurance, i.e., general contractor's liability, automobile liability and builder's risk (if applicable).
  - 5. Failure to complete work in accordance with program specifications and/or accepted standards of workmanship.
  - 6. Failure to pay all subcontractors working on the project appropriately and/or by not submitting affidavits of payment signed by all subcontractors.
  - 7. Failure to obtain proper permits for work in progress.
  - 8. Failure to treat applicants with respect and courtesy.
  - 9. Other offenses not described here when the Community Development Director believes a contractor's action(s) does not serve the best interest of the program, the City or the applicant.
- B. Contractors will be notified of their proposed debarment and will be afforded the opportunity to comment or appeal the action. All appeals must be made in writing to the CD Administrator, Community Development Division, 601 E Hickory St., Ste. B, Denton, TX 76205-4303 by the 15th day from the date of the notification letter.

# **APPENDICES**

- Appendix 1 Qualifying Income Limits and Ranges for the City of Denton's Federally Assisted Programs
- Appendix 2 Target Neighborhoods Map
- Appendix 3 Homeowner HOME Certification and Agreement to Participate in the Home Improvement Program Owner Occupied Assistance
- Appendix 4 Temporary Rehousing Questionnaire and Agreement
- Appendix 5 Space & Amenity Allowances For Reconstruction Activities
- Appendix 6 Lead Based Paint Hazard Control Relocation Policy and Procedure

# APPENDIX 1

FY 2015/2016

<b>City of Denton Community Development Division</b> <b>Qualifying Income Limits for Federally Assisted Programs</b>				
<b>Rehabilitation and Optional Reconstruction Eligible Income Ranges</b> (The income limits are set by HUD - adjusted on HUD's effective dates)				
2-Part Loan Ratio*	*40% Payable / 60% Deferred	*25% Payable / 75% Deferred	*15% Payable / 85% Deferred	*5% Payable / 95% Deferred
Owner Contribution	1% of Total Project Cost	.75% of Total Project Cost	.5% of Total Project Cost	.25% of Total Project Cost
Income Range	<b>Moderate</b>	<b>Low</b>	<b>Very-Low</b>	<b>Extremely-Low</b>
Family Size	80% AMI – 65% AMI	65% AMI – 50% AMI	50% AMI – 30% AMI	≤30% AMI
1	\$40,150 - 32,651	\$32,650 - 25,101	\$25,100 - 15,051	\$15,050 or below
2	\$45,900 - 37,301	\$37,300 - 28,701	\$28,700 - 17,201	\$17,200 or below
3	\$51,650 - 42,001	\$42,000 - 32,301	\$32,300 - 19,351	\$19,350 or below
4	\$57,350 - 46,601	\$46,600 - 35,851	\$35,850 - 21,501	\$21,500 or below
5	\$61,950 - 50,401	\$50,400 - 38,751	\$38,750 - 23,251	\$23,250 or below
6	\$66,550 - 54,101	\$54,100 - 41,601	\$41,600 - 24,951	\$24,950 or below
7	\$71,150 - 57,851	\$57,850 - 44,501	\$44,500 - 26,701	\$26,700 or below
8	\$75,750 - 61,551	\$61,550 - 47,351	\$47,350 - 28,401	\$28,400 or below
Financial Assistance Levels: There are two types of financial assistance: <ul style="list-style-type: none"> <li>• Two-part loan that includes a payable and deferred loan.</li> <li>• Deferred loan. Forgiveness loan will be provided to seniors, age 62 and above, who are at the income level below 50% of HUD median income.</li> </ul> <p><b>Part I: Payable Loan</b> is based on a percentage of the total City-paid project cost (see Section VII.D.). The payable portion of the loan is amortized over the term of the note (60 to 240 months - see Section VII.C.), and carries a 2 percent interest rate. There is no penalty for paying the payable loan off early.</p> <p><b>Part II: Deferred Loan</b> is based on a percentage of the total City-paid project cost (see Section VII.D.). This portion of the loan carries a zero percent interest rate. For every month applicant complies with deed and note requirements, a fraction of the deferred loan is forgiven (on a 5-year note, 1/60, on a 10-year note 1/120, on a 15-year note 1/180, and on a 20-year note 1/240). The deferred loan terms are from between 60 to 240 months (5 to 20 years) based on project cost and/or type of assistance activity (see Section VII.C.). At the end of the contract term the deferred loan is forgiven, provided applicant has satisfied all the conditions listed in the Deed of Trust and Promissory Note. The deferred loan is secured by a lien on the property.</p>				

**\*Persons age 62 or older** who are at the income level below 50% of HUD median income will be eligible to receive a 100% deferred loan. Persons age 62 or older, whose income level is above 50%, are eligible to receive a reduction of half of the payable loan percentage (rounded down). The reduced amount will be added to the deferred portion of the loan.

**Reportable Income:** Gross income for all household members aged 18 and above must be included to determine household's eligibility to receive assistance; however, some household members' incomes may be excluded when determining the *payback category* that the eligible household will be approved for. They are: applicant's children, grandchildren or legal guardians of the applicant who are ages 18 up to 26 and/or children aged 22 up to 26 who are full or part-time students. Incomes for household members aged 26 and older will be included in determining the *payback category* for the household.

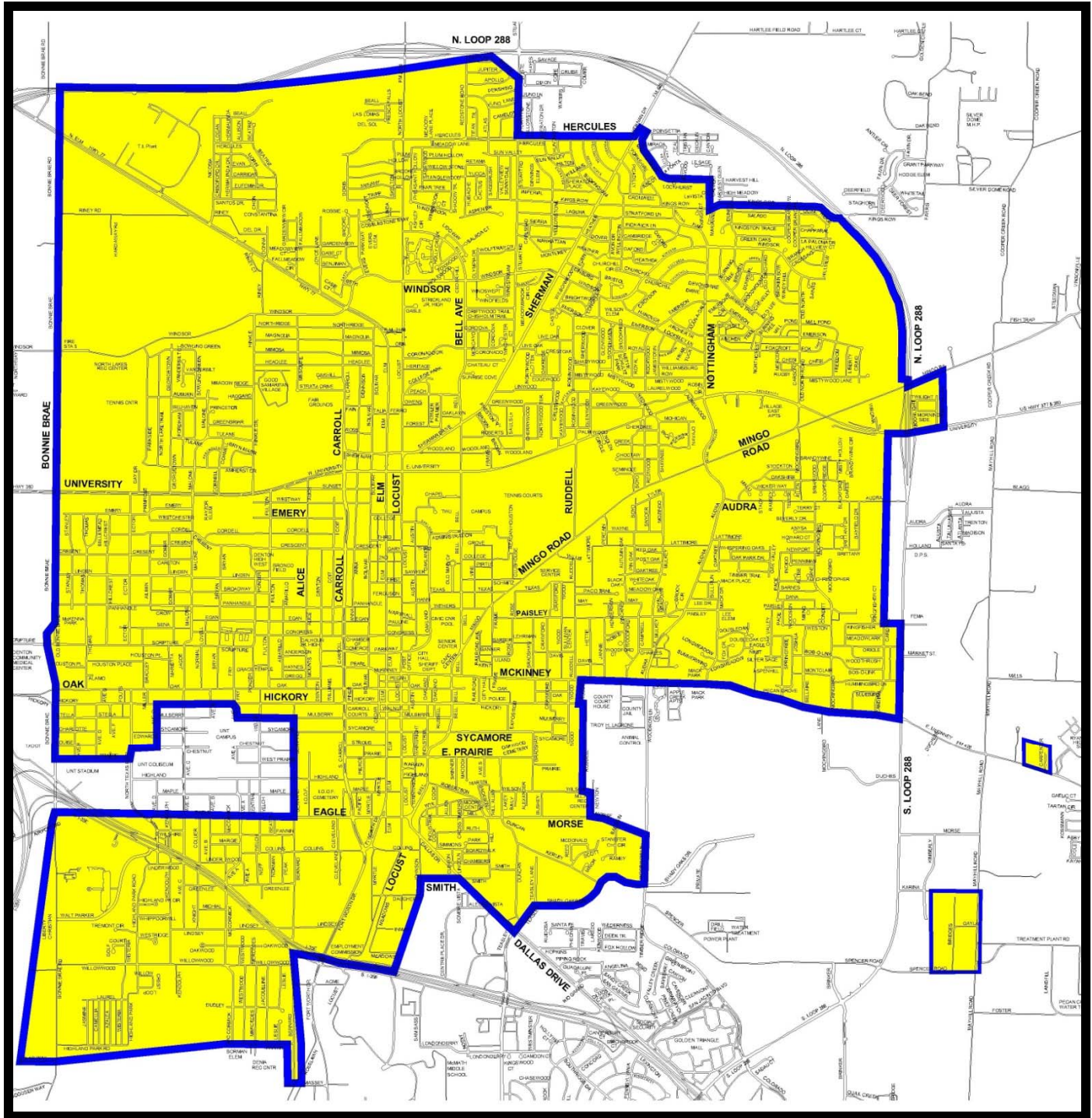
Income Limit Source: U.S. Department of Housing and Urban Development. Effective: 3/28/2016

95 Percent of the 2015 After Rehab Value Limit for Denton – Effective: 4/2016	Existing Homes: (\$186,000) = \$176,700 New Homes: (\$228,000) = \$216,600
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## APPENDIX 2

# City of Denton, Texas

## Targeted Neighborhoods Map



## APPENDIX 3



### Home Improvement Program HOME Beneficiary Written Agreement

Homeowner Name(s) & Property Address:

As stated in 24 CFR 92.504, each recipient of HOME funds must enter into a written agreement with every entity that benefits from the use of the awarded funds. This HOME Investment Partnerships Program Home Improvement Agreement ("Agreement") is entered into by the City of Denton, Texas, ("City") and Homeowner Name (hereinafter called "Homeowner" whether one or more persons).

This Agreement applies only to the Homeowner and dwelling unit ("Property"), as identified above. This Agreement describes the HOME Program rules that pertain to the assistance provided through the City of Denton's Home Improvement Program. By initialing the items listed below, Homeowner confirms that each item has been read and Homeowner understands and agrees to comply with each item, as applicable:

#### 1. USE OF HOME PROGRAM FUNDING

\_\_\_\_\_ The City will provide HOME Program funding in the estimated amount of \$ .00 to assist with the cost to rehabilitate/reconstruct the Homeowner's Property as listed above.

☐ **Rehabilitation** of an owner-occupied home;

☐ **Reconstruction** of an owner-occupied home on an existing site

\_\_\_\_\_ At the time Homeowner is approved for HOME Program assistance, Homeowner has an ownership interest in and occupies the Property to be rehabilitated/reconstructed as his/her principal residence. Homeowner agrees to continue to occupy the Property as his/her principal residence for 5-20 years from the date the rehabilitation/reconstruction work is completed. This is called the lien period.

\_\_\_\_\_ At the time Homeowner is approved for the HOME Program assistance, the Homeowner qualifies as a low-income household with a gross household income that does not exceed 80% of the area median income as established by the U.S. Department of Housing and Urban Development for the **Dallas TX HUD Metro FMR Area**, adjusted for household size, and as updated annually.

\$ .00 Area Median Income (adjusted for family size \_\_\_\_\_)

\_\_\_\_\_ The HOME Program assistance provided by the City will be secured by a promissory note and recorded subordinate deed of trust (no lower than second position). Monthly payments will be required on this payable portion of the assistance at 2% interest. The deferred loan portion will be provided at 0% interest and will be forgiven, as listed on promissory note, for each full month the Homeowner uses the Property as his/her principal residence during the lien period. For more details, please review Home Improvement Program Guidelines. Actual payment information will be included in the Promissory Note.

or

The HOME Program assistance provided by the City will be secured by a promissory note and recorded subordinate deed of trust (no lower than second position). The deferred loan will be provided at 0% interest and will be forgiven, as listed on promissory note, for each full month the Homeowner uses the Property as his/her principal residence during the lien period. For more details, please review Home Improvement Program Guidelines. Actual monthly deferred payment information will be included in the Promissory Note.

Housing rehabilitation/reconstruction work will provide general rehabilitation/reconstruction necessary to bring the structure into compliance with the City of Denton's applicable written building codes and property standards, housing rehabilitation/reconstruction program standards, lead-based paint regulations, and HOME Program property standards. Rehabilitation/reconstruction work to be completed will only be as specified in the approved written work specification for the Property and any approved change orders. Said City of Denton applicable written building codes and property standards, housing rehabilitation/reconstruction program standards, lead-based paint regulations, HOME Program property standards, and written work specifications and change orders are incorporated herein by reference.

The after-rehab value of Property must not exceed the HOME Maximum Purchase Price or After-rehab Value Limits for the Dallas-Fort Worth-Arlington, TX metropolitan area.

New Homes HOME Purchase Price Limit =	\$228,000
Existing Homes HOME Purchase Price Limit =	\$186,000

#### REHAB: Estimated Milestones

5-10 days	7-12 days	12-24 days	24-30 days	30-60 days	50-75 days	75-90 days
Permits issued	Work begun - Foundation repairs and roof begun	Electrical & Plumbing rough - Structural repairs begun	HVAC, Windows & doors.	Drywall, cabinetry, finish Plumbing and Electrical	Painting, Floor coverings, Attic insulation	Miscellaneous finish out.

#### RECONSTRUCT: Estimated Milestones

30-40 days	40-50 days	50-65 days	65-80 days	80-100 days	100 days
Permits issued	Demolition and clearance	Foundation including plumbing rough	Framing, sheathing and roofing	Plumbing, electrical, HV AC & windows	Seconds Inspection including sheathing

100-115 days	115 days	115-125 days	125-150 days	150-175 days	175-180 days
Wall insulation, masonry	Insulation inspection & Energy Star 1 <sup>st</sup> inspection	Drywall, texture, and trim out incl doors	Painting, cabinetry floors	HVAC, electrical & plumbing finish out	Finals insp. And E/S insp.

## 2. PROPERTY STANDARDS

All rehabilitation/reconstruction work write up/bid specifications/plans, completed by Community Development staff, will be completed in compliance with the City's Home Improvement Program written property standards and all applicable written local building and property codes and standards.

**REHABILITATION** – Repairs are made to the existing home in order to eliminate its construction deficiencies, in accordance with the Home Improvement Program Minimum Construction Standards as established by the City of Denton Home Improvement Program. The homeowner may be required to make arrangements for relocation while the rehabilitation takes place.

**RECONSTRUCTION** – Due to excessive construction deficiencies which cannot be repaired or rehabilitated sufficiently to meet required minimum construction standards, the existing structure is demolished and replaced with a newly constructed home built on the same site. Reconstructed homes must comply with 2009 International Residential Code

(IRC) standards. The homeowner will be required to make arrangements for relocation while the reconstruction takes place.

\_\_\_\_\_ Home Improvement assistance will only be provided to cover the cost of rehabilitation/reconstruction necessary to bring the property in compliance with locally adopted, written building and property standards, Rehabilitation/reconstruction Program standards and, applicable Federal and State building and property standards.

### 3. WRITTEN AGREEMENT PROVISIONS

\_\_\_\_\_ Homeowner will enter into a written agreement with the Homeowner-selected, qualified Contractor for the completion of rehabilitation/reconstruction work. The written agreement shall include the scope of work, the cost of the work to be completed, and the time frame during which the scope of work must be completed, all of which have been reviewed and approved by Homeowner, City, and Contractor at the preconstruction conference.

### 4. DEFAULT ON CONTRACT OR SALE OF PROPERTY

\_\_\_\_\_ If the homeowner defaults on their contract, the lien will be called due in full, and referred to the City of Denton's Legal Department to begin acceleration of the note as allowed by law. The City will make every effort to work with the homeowner to avoid foreclosure and will examine each situation on a case-by-case basis. Examples of loan default include, but are not limited to:

1. Delinquent loan payments;
2. Failure of grantee to reside in the assisted dwelling unit as the principal residence of applicant;
3. Failure to maintain adequate homeowner insurance coverage;
4. Failure to pay property taxes when due; and
5. Failure to pay utility bills when due.

\_\_\_\_\_ **SALE OF PROPERTY:** In the event the homeowner sells the property prior to maturity of the note, the sum of the unpaid balance of the loan and the unforgiven balance of the deferred loan amount will become due immediately. Under no circumstance will assistance be provided to grantee on any future property purchased.

For more details and information, please refer to Home Improvement Program Guidelines. By signing below, Homeowner acknowledges receipt of this document and understanding of its contents.

\_\_\_\_\_  
Name, Homeowner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Alma Espino, Housing Programs Manager, City of Denton

\_\_\_\_\_  
Date

# APPENDIX 4

## TEMPORARY REHOUSING QUESTIONNAIRE AND AGREEMENT

Your participation for optional reconstruction assistance is voluntary. Reconstruction funds are limited therefore; the Program does not cover costs necessary for household to relocate during reconstruction of the property. Please complete the following questionnaire. This information will help our staff in determining if you will be eligible for optional reconstruction assistance.

1. I understand that costs will begin to incur that may include but are not limited to filing, platting, re-platting, title search, property surveys and other costs deemed necessary. I understand I will be responsible for these costs, even though project may or may not be completed.  
\_\_\_\_\_ Yes \_\_\_\_\_ No
2. I understand that it is my responsibility to relocate my household, before the reconstruction and after the reconstruction is completed, and that I am responsible for all costs involved to do so. I also understand that I must vacate permanently the currently occupied substandard dwelling within 10 days notice by the City.  
\_\_\_\_\_ Yes \_\_\_\_\_ No
3. I understand that as a result of reconstruction, my appraised property value, set by the Denton Central Appraisal, may increase significantly from the amount at which it is currently valued.  
\_\_\_\_\_ Yes \_\_\_\_\_ No
4. I understand that an increase in my property value may cause my property taxes to increase by a significant amount. I am financially prepared to meet any increase.  
\_\_\_\_\_ Yes \_\_\_\_\_ No
5. I understand that I am obligated to carry homeowner's insurance for the duration of the lien (20 years) that the City of Denton will have on my property. I understand that I must request that my insurance company list the City of Denton as a "Certificate Holder" on my policy.  
\_\_\_\_\_ Yes \_\_\_\_\_ No
6. I understand that my homeowner insurance premium will most likely increase as a result of the reconstruction. I am aware that my insurance policy must cover the after-reconstruction appraised value of my property. I am financially prepared to meet this increase.  
\_\_\_\_\_ Yes \_\_\_\_\_ No
7. I understand that I must take possession and occupy the replacement dwelling when the reconstruction is completed and the City determines it to be ready for occupancy. I understand that I may be required to resign contracts.  
\_\_\_\_\_ Yes \_\_\_\_\_ No
8. I understand that The City of Denton is limited in the amount of funds it can spend to reconstruct a property. I have been briefed on these limits and understand that my eligibility for optional reconstruction assistance will be granted only if it is determined that the total of all costs involved to reconstruct my property will be at or below the allowable program limit.  
\_\_\_\_\_ Yes \_\_\_\_\_ No

This APPLICATION was completed by \_\_\_\_\_ (Name) on \_\_\_\_\_ (Date). By signing below, I am requesting that the City of Denton Community Development Division accept this as my application to be considered for optional reconstruction assistance.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

# APPENDIX 5

## SPACE & AMENITY ALLOWANCES FOR RECONSTRUCTION ACTIVITIES

The City of Denton may provide replacement single-family modest, safe, energy-efficient, decent dwellings. An EnergyStar® qualified home. Space and room limits for replacement housing are determined by household need. Replacement housing will provide up to the following:

### Provided Space

1 Kitchen	1 Dining Area or Kitchenette
1 Laundry Alcove	1 Food Pantry Closet and/or Cabinet
1 Coat Closet	1 Linen Closet
1 Living Area	2-3 Bedrooms*** W/Closets**
1 or 2 Bathrooms*	1 Attached (Non-Conditioned) Storage Area

### Maximum Square Feet Allowed (Within 5 % +/-)

2 Bedrooms 1 bath	- 1000 SF
2 Bedrooms 2 baths	- 1080SF
3 Bedrooms 1 bath	- 1150 SF
3 Bedrooms 2 baths	- 1200 SF
4 Bedrooms 2 baths	- 1250 SF (**must be approved)

### Amenities

1 Brick Mailbox	1 Ceiling fan per bedroom and 1 in Living Room
1 HVAC Unit (16-Seer AC)	1 Front & 1 Rear Exterior Weatherproof Electrical Outlets
1 Front Entry Door	1 Rear or Side Entry Door
1 50 gallon Water Heater	1 Front, 1 side & 1 Rear Hose Bibb
2-Car Driveway Space	1 Attic Access Stairs
Programmable Thermostat	Standard lighting including exterior safety lights front and back
1 Energy Star Refrigerator	1 4 burner Gas or Electric Range/single Oven (appliances if needed)

**Flooring:** Owner chooses combination and placement of Carpet/Pad, Sheet Vinyl or Tile Vinyl Flooring - maximum of one carpet and one vinyl choice per house.

**Grass:** Sod will be installed at a minimum of 5' wide around entire foundation/perimeter, 3' wide around sidewalks and driveway. Season-appropriate seed will be spread on remainder of un-sod yard.

**\*Bathroom:** A full bathroom may be made accessible to accommodate physically handicapped household member(s). Household may also select a 1/2 or 3/4 bath in place of a second full bath, if desired.

**\*\*Clothes closets** will ideally, when possible, provide a minimum of 4' X 2' of space per bedroom.

**\*\*\*Determining Maximum Number of Bedrooms** from household makeup: A household may select up to a 3 bedroom 2 bathroom house based on need. A fourth bedroom may be requested in writing when a household believes there is a valid need for the additional space. The Community Development Administrator approves requests on a case-by-case basis.

Under no circumstances will this program provide space exceeding that described above.





# Lead-Based Paint Hazard Control Policy & Procedure

The purpose of this Policy & Procedure is to provide guidance during rehabilitation of properties when lead-based paint has been identified as a hazard in homes occupied by low and moderate income families with children less than 72 months (six years) of age. The policy/procedure establishes standards, project timelines, etc., for eligible households receiving lead hazard control work through the ***Home Improvement Program***. This policy and procedure also provides a mechanism for obtaining agreement for and approval of temporary relocation provisions.

Please read the information in this policy/procedure in its entirety. If you agree with the information established for this project as outlined below, please sign and date the last page of this document and return it to the Community Development Division. Should you have any questions or concerns regarding this policy, please feel free to call (940) 349-7726 and schedule an appointment with staff.

### General Policies

The following are general policies:

- Only properties that were built before 1978, occupied by families that are approved to participate in the Home Improvement Program and have children under 72 months of age are eligible for LHCG funds (when available). Lead hazards will be completed using Federal CDBG and HOME funds when LHCG funds are not available.
- Pre-hazard blood lead level testing for every child less than 72 months of age within 6 months prior to the start of rehabilitation/lead remediation work is required. Blood lead testing must be completed by a qualified medical agency. The child's Blood Lead test results do not need to be provided, but documentation from the qualified medical agency must be provided documenting the child(ren) has been tested.
- Funds for temporary relocation during project lead hazard control work are not provided. Since the owner occupied rehabilitation programs are entirely voluntary, the Uniform Relocation Act does not apply. (Relocation requirements during lead hazard control work for elderly households may be waived by owners when no children live in or regularly visit the property).
- All back up documentation in individual project files and available for review on request. The files need to be maintained for the term of the loan.

### Environmental Requirements:

Must comply with and meet all lead based paint regulations. Lead-based paint hazard reduction techniques will be used when lead-based paint exceeds HUD's acceptable limits for lead content in existing paint. The limits for lead content exceed HUD's limits when lead content exceeds 1 mg per cm<sup>2</sup> (one milligram per centimeter squared), or 5000 ppm (parts per million). The reduction techniques used by this program are described and found in the U. S. Department of Housing & Urban Development's publication, Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing, issued June 1999

### Inspection, Risk Assessment Testing, and Clearance Procedures:

All lead hazard evaluations will be conducted by risk assessors. Risk assessments may be conducted either by staff or contracted through qualifying firms. Clearance tests for projects may be conducted by clearance sampling technicians.

All lead hazard control methods will fall into the category of interim controls although some activity may in fact permanently remove lead hazards. Rehabilitation Specialists will use professional judgment and expertise in

determining appropriate methods to address deficient conditions based on recommendations from the risk assessment.

### **Homeowner Protection:**

The *Home Improvement Program* requires that a **Homeowner Protection Plan**, includes all household members, must be in effect before lead hazard control work can commence. Safety is given first priority in determining these plans. Homeowner protection is mandatory and designed to protect homeowner(s), members of the household, pets and personal belongings during lead hazard control work. The attached **Homeowner Protection Plan** is specific to your lead hazard control project and was developed based on the scope of work to be completed. This Plan assures safe housing is available to the homeowner. These plans are the final decision and responsibility of the Lead Abatement Project Designer. By signing and dating the Home Improvement Relocation Approval page, you will be agreeing to the Homeowner Protection Plan that is a part of this document:

### **Project Start Date:**

Once the homeowner(s) has selected a contractor a **Project Start Date** must be established. This date is determined through a cooperative effort and agreed upon by the contractor, homeowner(s) and Community Development staff. The three factors that must be considered to set a **Project Start Date** are:

**First:** The date the contractor can actually begin the project. Contractor is to include time needed to meet the *Three-day Right of Rescission* requirement as well as any time needed to prepare for the project such as, ordering materials needed that must be available on the date the LHC work actually begins (windows, doors, etc.).

**Second:** The date the homeowner(s) has prepared for all requirements of the Temporary Relocation Plans (as written above). This date must take into account all arrangements needed to be made by owner (such as hotel reservations, packing, storage, if required, and any other arrangements that must be made prior to the work beginning).

**Third:** The date City of Denton staff can have contracts ready for signing (including a date all parties required to sign contracts will be available to sign)

All parties must give priority to reaching an acceptable **Project Start Date**. Once a **Project Start Date** has been established, all parties will be notified of:

### **Project Completion Date:**

The amount of time needed to complete a project is decided on a project-by-project basis but usually fluctuates from between two days and two weeks. The contractor is required to provide a set project completion date (or, provide the number of consecutive working days the project will take to complete). The Lead Abatement Project Designer must approve this timeline. The **Project Completion Date** will become part of the project contracts.

### **Clearance Testing Requirement:**

Before homeowner(s) can return to the property, the property must pass: 1.) visual inspection; 2.) dust wipe; and 3.) soil clearance tests. If clearance is not achieved on first testing results, the relocation process must be prolonged to allow contractor time to achieve clearance levels (put the levels here). Reaching clearance is the responsibility of the contractor; therefore, any additional time required to meet clearance is the contractor's responsibility. If the **Project Completion Date** must be extended because of a failed clearance test, liquidated damages will be enforced for every day homeowner(s) cannot return to the property. The contractor will also be responsible for lab fees, if retesting is required, and the cost of these fees will be deducted from the contract amount.

Homeowner(s) will not be permitted to enter the worksite once the project has started for the duration of the hazard reduction activities until such a time that clearance testing has passed all requirements.

### **Moving and Storage:**

Funds for temporary relocation during project rehabilitation/reconstruction are not provided. In most cases, household goods will not have to be moved. In the event the **Lead Abatement Project Designer** determines that some or all furniture and household goods must be moved out of the property, the **Home Improvement Program** will notify homeowner(s).

**If furniture needs to be moved:** The homeowner(s) will be notified by **Home Improvement Program** of the areas where work will be conducted. These areas will need to be readily available to the contractor to begin working. If furniture needs to be moved, closets emptied, shelves cleared etc., it is the responsibility of the homeowner(s) to relocate their possessions to assist the contractors timely and efficient work schedule. The homeowner(s) is responsible for packing and storing valuable possessions. Neither the contractor nor the City of Denton is responsible for missing or damaged property that has not been properly packed and stored by the homeowner(s).

It is advisable that homeowner(s) make a checklist of all valuables stored.

#### **Steps for relocating a family:**

1. A draft of relocation plan will be made by the **Home Improvement Program**. Contractor will submit plan of work schedule stressing all exterior work to be completed.
2. **Home Improvement Program** informs homeowner(s) of abatement commencement, preferably 10 days before.
3. **Home Improvement Program** starts paperwork and will advise and consult regarding extended period of relocation.
4. **Home Improvement Program** will inform or provide the family with:
  - a. Information of time span required for the relocation.
  - b. Everything they should take that they will need for the maximum number of days they will be relocated.
  - c. All pets should be relocated or boarded.
7. Homeowner(s) will be made responsible for insuring that all household members are relocated during lead hazard control work and the house be made available to begin project. Homeowner(s) will provide keys to the contractor.
8. **Home Improvement Program** will inform Homeowner(s) of final clearance. If house does not pass clearance, then **Home Improvement Program** will inform property homeowner(s).

**Home Improvement Program  
Lead-Based Paint Hazard Control  
Homeowner Protection Plan**

Includes all household members / pets / household goods and belongings

Homeowner(s) Name: \_\_\_\_\_

Project Address: \_\_\_\_\_

Homeowner Protection: \_\_\_\_\_  
\_\_\_\_\_

Pet Protection (If Applicable): \_\_\_\_\_  
\_\_\_\_\_

Personal Belongings/Household Goods Protection: \_\_\_\_\_  
\_\_\_\_\_

Other Instructions required for this project: \_\_\_\_\_  
\_\_\_\_\_

Signed:

\_\_\_\_\_  
Lead Abatement Project

\_\_\_\_\_  
Date Plan Developed

Designer Name Printed: \_\_\_\_\_

- 1.) **Contract Signing Date:** \_\_\_\_\_
- 2.) **Project Start Date:** \_\_\_\_\_
- 3.) **Project Completion Date:** \_\_\_\_\_

NOTE      One: If for any reason any of the dates established above cannot be met after they have been agreed upon, the party responsible for providing that date must notify a Home Improvement Program staff immediately to provide an alternate date. This action may cause further delays. All other parties will be notified if the established date must be changed and must agree to a new date.

# Home Improvement Program

## Project Relocation Plan Approval

Date Policy/Procedure Received: \_\_\_\_\_

Project Address: \_\_\_\_\_

<b>Homeowner Name(s):</b>			
<b>Homeowner Address:</b>			
<b>City</b>	<b>State:</b>	<b>Zip:</b>	
<b>Homeowner Phone:</b>			
<b>Contractor :</b>	<b>City</b>	<b>State:</b>	<b>Zip:</b>
<b>Contractor Address:</b>	<b>Contractor Phone:</b>		

By my/our signature(s) below, I/we acknowledge and agree to the terms as written in the Lead-Based Paint Hazard Control Policy & Procedure and the Homeowner Protection Plan. I/We understand that it is my responsibility to approve specifications; review the bids and select a contractor (subject to Home Improvement Program approval), to sign the construction contracts and change orders, and to approve the payouts.

\_\_\_\_\_  
Homeowner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Homeowner Signature

\_\_\_\_\_  
Homeowner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Community Development staff Signature

City of Denton  
Community Development Division  
601 E. Hickory, Suite B  
Denton, TX 76205  
(940) 349-7726

**Steps for relocating a family:**

1. A draft of relocation plan will be made by the ***Home Improvement Program***. Contractor will submit plan of work schedule stressing all exterior work to be completed.
2. ***Home Improvement Program*** informs property homeowner(s) of abatement commencement, preferably 10 days before.
3. ***Home Improvement Program*** starts paperwork and will advise and consult regarding extended period of relocation.
4. ***Home Improvement Program*** will inform or provide the family with:
  - a. Information of time span required for the relocation.
  - b. Everything they should take that they will need for the maximum number of days they will be relocated.
  - c. All pets should be relocated or boarded.
5. Homeowner(s) will be made responsible for insuring that all household members, pets and belongings are protected during lead hazard control work by complying with the “Homeowner Protection and Project Relocation Plans” and agree to make the house available to contractor to begin project. Homeowner(s) will provide keys, as required, to the contractor.
6. ***Home Improvement Program*** will inform Homeowner(s) of final clearance. If house does not pass clearance, then ***Home Improvement Program*** will inform property homeowner(s).

**City of Denton Community Development  
Home Improvement Program  
601 E. Hickory, suite B, Denton, TX 76205**

**HOMEOWNER'S SERVICE AGREEMENT**

*I/we, **(Owner Name)**, hereinafter referred to as Owner, have applied for assistance from the Home Improvement Program to complete a rehab and will include lead hazard reduction and controls on my property. If this assistance is granted, I understand that the Home Improvement Program will be inspecting my property, acting as Home Improvement Program's technical agent and monitor of the lead hazard control project for the property, which is located at **Property Address**.*

**Owner's Responsibilities**

**I understand that even though Home Improvement Program provides a deferred loan\*, it is my responsibility to approve specifications; review the bids and select a contractor (subject to Home Improvement Program approval), to sign the construction contracts and change orders, and to approve the payouts.**

I acknowledge that I have been advised that I should inspect the work as frequently as possible, and discuss with the contractor, or Home Improvement Program personnel any difficulties or poor workmanship observed. I understand that once materials are in place that cost of repair or replacement is substantial.

***Owner Protection and Temporary Relocation During Lead Hazard Reduction***

*In most jobs that require lead hazard reduction, our agency requires appropriate actions to be taken to protect owner(s) and all members of the household from lead-based paint hazards. In those cases, owner(s) or no member of the household may not enter the worksite during the lead hazard reduction activities. Re-entry is permitted only after such activities are completed and the unit has passed a clearance examination. Owners of the unit do not have to be relocated if: rehab work will not disturb lead-based paint or create lead-contaminated dust; hazard reduction activities can be completed within one 8 hour daytime period and the worksite is contained to prevent safety, health or environmental hazards; exterior-only work is being performed where the windows, doors, ventilation intakes and other openings near the worksite are sealed during hazard reduction activities and cleaned afterward, allowing for a lead-free entry to be maintained; hazard reduction activities will be completed within 5 calendar days and the work area is sealed, the area within 10 feet of the containment area is cleaned each day, owner(s) or members of the household have safe access to sleeping areas, bathroom and kitchen facilities in the same housing unit or in another convenient location; and owner(s) or members of the household are not permitted into the worksites until after clearance has been achieved.*

*If occupied units are to undergo more extensive lead hazard reduction activities, the owner(s) or members of the household must be temporarily relocated. Most often, furniture and owner's or members of the household's belongings can be covered and sealed with protective plastic sheeting, although storage of major furniture and removal of all small furnishings during the hazardous materials reduction work may sometimes be necessary. The owner(s) is responsible for carefully packing all breakables; removing all clothing from closets, etc. During the hazard reduction work, only workers trained in lead hazard reduction may enter the work site. This means that owner(s) and members of the household are not permitted to return to the work site during the day or at night. If you have special needs to re-enter the site, please contact your rehab specialist. Only when the unit has been cleaned to the federally- mandated standards and passed a clearance examination is it safe and permissible to return to your home. The rehab specialist will notify you with an Authorization for Re-Occupancy. Sometimes the jobs are completed in stages, with the lead hazard reduction work occurring first and the other renovation work following. In these cases interim dust lead clearance must be obtained prior to re-occupancy by the owner(s) or members of the household and other non-lead related rehabilitation workers. Final lead dust clearance must be repeated following the rehabilitation work to verify that the residence is free of lead hazards. (Note: HUD has advised that relocation of elderly owners is not typically required, so long as complete disclosure of the nature of the work is provided and informed consent of the elderly owner(s) is obtained before commencement of the work.)*

**Home Improvement Program's Role**

- A. I understand that Home Improvement Program provides work-in-progress inspections to me for their protection. However, these services are not a guarantee of any type, and do not make Home Improvement Program responsible for the quality of the work, or responsible for any contractor or worker's performance.

- C. I understand that the staff of Home Improvement Program cannot be personally available for all inspections of each segment of the work performed on the construction site and that both Home Improvement Program and its employees, members, officers, and directors will reasonably rely on the competence and skill of each individual contractor as is normal in the course of such business negotiations, transactions, and execution of the contract.

**Home Improvement Program's Emergency Authority**

I authorize the staff of Home Improvement Program to issue emergency orders and/or instructions in the event that the Residential Construction Specialist is available to observe the work in progress, and can anticipate that without authority to issue such instructions, work will be done which will substantially alter the intentions of the homeowner(s), injure the property or violate the specifications of the contract.

Upon the issuance of such orders or instructions, Home Improvement Program's Residential Construction Specialist will contact the general contractor or subcontractor most directly responsible for the work in question and the homeowner(s) as quickly as possible, and all parties will examine and approve or re-negotiate the work in question before the job proceeds.

**General Provisions**

- A. I further agree to hold harmless and indemnify Home Improvement Program and its employees, members, officers, and directors, in connection with acts performed by them which would reasonably be associated with consultation, technical advice, financial counseling, loan processing, property inspections, and other related activities.
- B. I authorize the staff of Home Improvement Program to obtain or provide specific reports, such as personal credit reports, property title and tax searches, building code inspection reports, property appraisals, repair specifications, cost estimates, contractor's bids (and such other reports which said staff deems necessary to perform its functions).
- C. Whenever the pronouns "I," "my," "we" are used in this agreement they shall mean "we," "our," and "us" respectively, if more than one owner signs below.

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Homeowner's Signature

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Date

---

Homeowner's Signature

---

Date

# COMMUNITY DEVELOPMENT DIVISION

(940) 349-7726

Texas State Relay (telephone device for the deaf) by calling:  
TDD (800) 735-2989

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Applicant is subject to all guidelines changes.

