



INTRODUCTION

The objective of the City of Denton **home repair programs** is to aid low and moderate-income homeowners with essential emergency repairs, structural accessibility modifications, repairs to some or all the home's major systems, or major repairs completed through rehabilitation or reconstruction. The programs are intended to assist income qualified owners who cannot afford to complete the repairs themselves. Programs include:

- **Minor Repair Program (MRP)**
- **Major Systems Replacement Program (MSRP)**
- **Home Improvement Program (HIP)**

As part of the assessment process, staff work with homeowners to determine the repairs that will need to be completed on the property. During the inspection, staff will evaluate the condition of the home as well as the impact of not addressing some of the necessary repairs.

WHO IS ELIGIBLE?

As a homeowner, you may be eligible for assistance under this program if you meet all the following eligibility criteria:

HOME/PROPERTY ELIGIBILITY

- Your home must be a single-family dwelling unit located within the city limits of Denton.
- You must own (hold fee simple title to the property) and live in your home as your principal residence on a year-round basis for the past 2 years and you have no intention to market, rent, or sell the property.
- **For MRP & MSRP only:** Additional forms of ownership interest under which an owner may qualify for assistance can include:
 - Life estates: under which the occupant has the right to live in the housing for the remainder of his or her life and does not pay rent.
 - Inherited property: where title has been passed by inheritance to several heirs, not all of whom reside in the housing.
 - Living Trust: where the owner of a property has conveyed his or her property to a trust for his or her own benefit or the benefit of a third-party beneficiary.
- **For MRP only:** *NOTE: For mobile homes, you must have owned and lived in your mobile home for not less than one year, and the mobile home must be in the city limits of Denton for not less than one year. The Owner must provide proof of these requirements.*
- Your home requires an urgent repair or code deficiencies, which if left unattended, would jeopardize the health and/or safety of the occupants; or, your structure requires necessary modification(s) to make structure accessible to meet a medical or physical disability.
- Structure must be more than five (5) years old.

- **(HIP Only)** Your property must meet all zoning and environmental regulations including floodplain, historical, lead-based paint, etc. *Properties in the 100-year floodplain or floodway are not eligible for this assistance.*
- You must not be delinquent on any property taxes to any taxing entity in Denton County. **For MRP & MSRP only:** This does not include accounts where payment arrangements are up to date, proof of arrangement must be provided. Elderly/disabled who have established payment plans or have signed up for tax deferral are not subject to this requirement.

INCOME ELIGIBILITY

- Household income cannot exceed 80 percent of the Area Median Income Limits, adjusted for family size. The current eligible income limits are provided in [Attachment 1](#).
- Your total assets (excluding your home) do not exceed \$50,000 (MRP, MSRP) or \$100,000 (HIP). Assets include available cash, checking and savings accounts, stocks, bonds and other assets that can be accessed like cash.

PROGRAM ELIGIBILITY

- You must complete the application process, your application must be approved, and the repair(s) must be eligible (Page 3).
- You must be a United States citizen or legal resident alien.
- You have not exceeded maximum limits for financial assistance from a Community Development applicable home repair program (Page 4). *This requirement may be waived, see catastrophic¹.*

OTHER FREQUENTLY ASKED QUESTIONS

- **Do I need Good Credit?** For programs involving loans (**HIP Only**), you must show the ability to pay property taxes, utilities, homeowner property insurance payments, lenders, creditors and the HIP loan from the City.
- **I still have a mortgage payment; can I still qualify for the program?** Yes. For **HIP only**, the following also applies:
 - Your mortgage payment needs to be current and up to date.
 - You need to have some equity in your home. Your mortgage loan balance cannot be more than 80 percent of the property's appraised value for rehabilitation or 70 percent of the property's appraised value for reconstruction.
- **Will a Lien be placed against my property?** **HIP only** rehabilitation and reconstructions, liens are in place for a period from 5-10 years based on the type and cost of the project.

¹*Catastrophic - extreme life-changing event that results in permanent, substantial loss of household income often time-related to a death, retirement (must be 62 years of age or older) or a permanent disability. The loss of income must be from an income-earning household member(s). Note: Loss of employment (voluntarily or involuntarily) is not considered a "permanent loss."*

WHAT TYPE OF REPAIRS ARE ELIGIBLE?

Generally, repairs or modifications to achieve accessibility that is urgently needed to make the housing accessible, safe, sanitary, or habitable. The City of Denton will complete an evaluation of the home to determine the extent of the repair need and if requested repair is eligible.

- Repairs that can be completed for \$10,000 or less are eligible for **Minor Repair Program (MRP)** assistance.
 - replacement of failed plumbing fixtures
 - clogged/broken sewer lines
 - damaged or exposed electrical wiring, switches, outlets
 - leaking roofs
 - Repairs and/or modifications to a structure as necessary to allow accessibility to accommodate a disability when other means are not available to allow accessibility; i.e. building a wheelchair ramp, widening doorways to rooms that must be accessible for living, etc.
- Repairs that can be completed for \$25,000 or less are eligible for **Major System Repair Program (MSRP)** assistance.
 - Electrical systems
 - Plumbing systems, including water and/or sewer lines
 - Roof repairs or replacement
 - Heating, Ventilation, and Air Conditioning (HVAC)
 - Pier and Beam foundation stabilization, approved on a case-by-case basis
- Repairs that will be greater than \$25,000 are eligible for **Home Improvement Program (HIP)** assistance. There are two types of HIP² assistance:
 1. Rehabilitation – Repairs are made to the house to correct code violations and make needed repairs when a house is in relatively good condition.
 2. Reconstruction - When a house cannot be repaired, the applicant may be eligible for reconstruction. The existing house will be demolished, and new house will be built on the property.

²The homeowner may need to arrange for relocation while the repair takes place.

There is no guarantee that the full amount will be awarded. The amount of the award will solely be determined by the City based on the repair(s) approved. If the bid for an approved repair is more than the maximum allowable funds, the project will not be eligible.

Note: *When a repair is covered by an insurance policy and only a portion of the cost to repair is covered, the owner must sign over insurance claim payment(s) to the City of Denton before work may begin. Owner insurance funds will be deposited into an escrow account and will be expended first as contractor payments are approved. If the owner has already spent insurance funds on repairs, the owner must provide proof of payment and detailed documentation of work completed before a decision can be made if the repair is eligible.*

WHAT TYPE OF REPAIRS ARE INELIGIBLE?

- Repairs that are only cosmetic in nature are not eligible. However, some cosmetic repairs may be carried out under the program in areas where a project repair has been completed and only when necessary to make the immediate areas match (as close as possible) the surrounding area. Example: floor covering to a complete room when a repair disturbed only a small section of flooring.
- Perils covered by insurance claims are not eligible for funding from this Program except as described in the "Note" section (Page 3).
- Repairs to a second item where another one is working may not be eligible except to prevent additional deterioration.
- Unsafe and substandard structures that cannot be made safe for habitation within the maximum program funding limits described below will not be eligible for assistance. The owner will receive a letter notifying of the hazards and why assistance is being denied. Under such circumstances, the City will recommend a household seek safe housing.

WHAT ARE THE MAXIMUM LIMITS FOR THE PROGRAM?

The City of Denton has maximum limits that can be allocated to a project. If the project repairs cannot be assisted within the maximum-limits allowed the project would not be eligible.

Maximum funding per application for owner-occupied single-family structures:

Minor Repair Program	Major Systems Repair Program	Home Improvement Program
Up to \$10,000	Up to \$25,000	Varies by project

- **Limited Funds:** Staff responds to requests for repairs on a first-come-first-served basis from the date the completed application is received. A specific amount of funding has been set up for each program year beginning August 1st. Once all program funds are expended, no applications will be considered until additional funds are available.
- **(MRP Only): Homes Built Prior to 1978** may only be eligible for up to \$5,000 for approved, eligible repairs. Repair(s) costing over \$5,000 are not eligible if the repair triggers *Interim Controls for Lead-Based Paint rules and regulations*. (**Regulatory Basis:** 24 CFR 92.355, 92.508(a)(3)(iv), and 24 CFR Part 35
- **Maximum Repairs: (MRP Only): A Lifetime Maximum** of 5 repairs is available for any one structure and/or household. **(MSRP Only): A Lifetime Maximum** of 1 repair is available for any one structure and/or household. **(HIP Only): A Maximum** of 1 repair is available for any one structure and/or household while under a current HIP lien.
- Eligible housing units may only be approved for MRP assistance once in a 12-month period, MSRP assistance one time, and may only be approved for HIP if not under a current lien with a previous HIP reconstruction or renovation.
- Once the approved repairs are completed and the contractor(s) receives final payment, no additional repairs can be requested or approved.

- **HOME Homeownership Value Limits (HIP Only):** Sale price and value are subject to HOME Homeownership Value Limits. The current effective date and limits can be found in Attachment 1 and remain in effect until HUD issues new limits.

HOW DO I APPLY?

1. Contact the Community Development office for an application and repair inspection.
2. Complete the application.
3. Schedule application interview and submit required documentation.

WHAT HAPPENS AFTER I APPLY?

1. Property will be inspected to determine eligibility.
2. Community Development staff will verify and approve all the application information, environmental restrictions, and eligibility under federal regulations. **If any information is found to be intentionally falsified, the application will be rejected, and the applicant will not be allowed to reapply to this program.**
3. Owner will receive verbal and/or written notice of the date application is accepted or rejected along with details of the decision if the application is rejected.

If owner, property, and repair are eligible:

4. The Texas Historical Commission may have to be notified for any home 45 years or older.
5. When painted surfaces will be affected in a house built before 1978, the area will be tested for lead-based paint. A lead-based paint inspection and/or risk assessment shall be conducted by a licensed risk assessor. If a home is found to have lead-based paint hazards, hazard reduction techniques will be utilized.
6. Work write-up or plans will be completed.
7. **(HIP Only)** Owner will review and approve work write up or plans.
8. Project is sent out to bid to contractors. Eligible Bids are approved by the City.
9. **(HIP Only)** Owner selects contractor³ from eligible bids⁴.
10. **(HIP Only)** Contracts are prepared by City. Contracts are then reviewed and signed by owner(s) and contractor.
11. Repair work begins.
12. **(HIP Only)** Owner completes the “Successful Homeownership” class.
13. Repair work is completed.
14. Owner complete a walk-through the house with staff.
15. Upon final inspection approval, the contractor will submit an invoice. The payment request will be processed upon project approval, and the contractor can expect payment within 15 working days from date invoice was approved.
16. **(HIP Only)** Owner updates or obtains appropriate homeowner’s insurance.
17. **(HIP Only)** The contractor provides a one-year warranty for work completed. After this

period, it is the responsibility of homeowner to complete all repairs.

18. **(HIP Only)** Owner loan payments begin about one month after the project is completed.

³ For HIP, only contractors who carry a minimum of \$100,000 liability insurance and workman's comp. may perform work.

⁴ If the bid for the approved repair is more than the maximum allowable funds, the project will not be eligible and the City of Denton will be unable to approve the repair.

WILL THE REPAIRS NEED TO BE PAID BACK?

- **Home Improvement Program.** For HIP rehabilitation and reconstructions, liens are in place for a period from 5-10 years based on the type and cost of the project. For the term of the lien, you need to be able to pay your monthly loan payment, continue to live in the house, pay property taxes, maintain the house and budget to include future maintenance, repair and replacement of appliances, and maintain a homeowner's insurance policy that covers all repairs for the HIP assisted home.
 - There are two types of financial assistance in **HIP** are provided in Attachment 2):
 - **Two-part loan that includes a payable and forgivable loan.** The loan is available in a combination of a payable low interest loan and a forgivable loan forgiven every month you live in the house over the applicable loan period.
 - **Forgivable loan only.** A forgivable loan will be provided to those who are at the income level below 50% of HUD median income. The loan is forgiven monthly over the period of the loan and no payment is required as long as you remain in the home as required and meet all deed requirements.
- **Minor Repair Program.** For **MRP** assistance does not need to be paid back. It is a grant, and no lien will be placed on the property.
- **Major System Repair Program.** For **MSRP** assistance does not need to be paid back. It is a grant, and no lien will be placed on the property.

OTHER DISCLAIMERS

- Applicants are subject to all program requirements and guideline changes. Guidelines are subject to change without notice.
- Programs are subject to availability of funds. If there are no funds available, potential applicants will be placed on a waiting list.
- This information is intended to give applicants a quick overview of the program requirements. Not all program and eligibility requirements are included.

NON-DISCRIMINATION REQUIREMENTS

The program will be implemented in ways consistent with the Title VIII of the 1968 Civil Rights Action as known as the Federal Fair Housing Law. The law makes illegal any discrimination in the sale, lease or rental of real property based on race, color, religion, handicap, national origin, familial status or gender.

DISPUTE

The contractor's work will be monitored by the applicant, City of Denton staff that may include 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. (HIP Only) 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 any dispute cannot be resolved, the Housing Programs Manager shall consider all pertinent facts and shall decide an appropriate course of action to resolve the dispute.

CONFLICT OF INTEREST REQUIREMENTS

In accordance with **24 CFR 570-611**, applicants can be denied participation in a City Program if a conflict of interest exists. A conflict of interest exists if an applicant is an employee, agent, consultant, officer, elected official and/or appointed official of the City of Denton and if within the past 12 months, and of the following three statements applies to any of the applicants:

1. Exercises or who has exercised any function or responsibilities with respect to funds for this program.
2. Participates or has participated in the decision-making process related to funds for this program
3. Is or was in a position to gain inside information with regards to program activities.

PROGRAMMATIC WAIVERS

The City of Denton repair programs must follow specific guidelines required by the funding source to assure proper administration and management. If an applicant feels that their circumstances require special consideration, a request may be made in writing, waiving from the usual requirements. All waiver requests must be requested in writing and should specify the program requirement(s) to be considered for waiver and state the applicant's reason(s) or special circumstances why they believe a waiver should be approved. The Community Development Manager will review requests on a case-by-case basis.

The City Manager or his designee, upon determination of a good cause, may waive any guidelines not otherwise required by the funding source, City ordinance, or policy. Applicant will be notified in writing of the final decision.

APPEALS PROCESS

An appeal of a program decision may be made in writing to Community Development using the contact information below. A written response to any appeal will be completed and mailed within 15 days from the receipt of the written appeal. Documentation of the appeals will be placed in the appropriate project files.

ATTACHMENT 1

The effective dates and limits in Attachment 1 remain in effect until HUD issues new limits.

INCOME ELIGIBILITY FOR ALL PROGRAMS

Effective Date: 7/1/2020

Family Size	Maximum Income
1	\$48,300
2	\$55,200
3	\$62,100
4	\$68,950
5	\$74,500
6	\$80,000
7	\$85,500
8	\$91,050

HOME HOMEOWNERSHIP VALUE LIMITS FOR Home Improvement Program only:

Effective: 4/1/2020

Existing Homes	New Homes
\$253,000	\$270,000



ATTACHMENT 2

Home Improvement Program: Project Payment for Households

Denton Area Median Income	Payable	Forgivable	Term of Loan
Extremely-Low Income < 30%	0%	100%	5-10 years
Very-Low Income >30% – 50%	0%	100%	5-10 years
Low Income >50% - 65%	10%	90%	5-10 years
Moderate Income >65%-80%	20%	80%	5-10 years

Home Improvement Program: Elderly Households (62 years of age or older)

Denton Area Median Income	Payable	Forgivable	Term of Loan
Extremely-Low Income < 30%	0%	100%	5-10 years
Very-Low Income >30% – 50%	0%	100%	5-10 years
Low Income >50% - 65%	0%	100%	5-10 years
Moderate Income >65%-80%	0%	100%	5-10 years

EFFECTIVE: 10/01/20

