

Minor Home Repair Program (MHRP)

Guide

Last Updated March 20, 2023



SUMMARY

This Minor Home Repair Program (MHRP) Guide provides the policies and standards for the management and operation of the City of Commerce City's MHRP. This Guide is based on the federal, state, and local laws, rules, and regulations on the city's MHRP. This Guide intends to provide a consistent and equitable MHRP for the city, its residents, and hired contractors. It is the responsibility of all MHRP hired contractors and their subcontractors to implement the city's MHRP following these guidelines.

BACKGROUND AND PURPOSE

The City of Commerce City is pleased to offer an MHRP to assist lower-income homeowners to improve the health, safety, and accessibility of their homes. As an Entitlement Community, the city receives an annual, direct allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD).

The City, with the assistance of their hired contractor, Brothers Redevelopment Inc., will administer the MHRP as required by federal, state, and local laws, rules, regulations, and codes. The MHRP's financial support for essential repairs and improvements is to assist city residents to live in a safer and healthier home.

The MHRP is intended to improve the:

1. health of the home's occupants,
2. safety of the home,
3. accessibility within the home, and/or
4. energy efficiency of the property.

PROJECT FUNDING

The city's MHRP is only for residents of the city. The MHRP will provide housing rehabilitation assistance to qualified, single-family homeowners with low to moderate (LMI) household incomes. Once the homeowner is approved for the MHRP, the rehabilitation work will be orchestrated and paid for by the city. Each approved applicant may qualify for up to \$12,000 in repairs, plus permits taxes and fees. The city's contractor will provide a home inspection, work write-up, cost estimates, and will complete the project.

The MHRP funding is dependent upon receiving money from HUD and the City Council's decision to allocate MHRP funding. The MHRP will be suspended when or if:

1. The city has obligated/spent the available annual allotment of MHRP funds.
2. The city does not receive all or part of the CDBG funding from HUD.

Should additional MHRP funds become available, applicants on the *Waiting List*¹ will be considered first for repair and improvement activities.

PROPERTY ELIGIBILITY

1. The property must be an owner-occupied home.
2. The property must be a single-family residence.
3. The structure must be a site built or manufactured single-family home.
4. The home must have a clear title to the real property and land.
5. If the structure is a mobile home (manufactured home) on a rented permanent foundation, the applicant must have a clear title to the home. The mobile home must have a HUD manufacturer certification label (manufactured on or after June 15, 1976). If the applicant owns the land where the mobile home is located, they must have a clear title to the land.
6. The property must be located inside the incorporated boundaries of the City of Commerce City, CO. Seventy percent of properties assisted must be located within the historic area of Commerce City (Target Area) as

¹ The Waiting List is defined on page 6.

designated by the city's CDBG 2016-2020 Consolidated Plan. (See the attached Target Area Map)

7. All property taxes must be paid in full.
8. Property insurance is required. If the property is located within a 100-year floodplain, proof of flood insurance is required.
9. You must be current on your mortgage payments or have paid off your mortgage.
10. The property must not be in the foreclosure process.
11. The property must not be for sale.
12. Workers must be able to safely access all areas of the home as such the home must be clear of clutter and debris, including bugs, pests, rodents, and waste.
13. The property must pass the required environmental review, or it will be deemed ineligible and no funding for repairs may occur. This is under the National Environmental Policy Act (NEPA) and 24 CFR Part 58 of the federal regulations, citing all Cities receiving CDBG funds are legally responsible for complying with CEQA and NEPA environmental reviews before funding any loan or grant.
14. Any specific requirements as required by the city or the contractor.

APPLICANT ELIGIBILITY

General eligibility requirements:

1. The applicant must own the home. All persons on the Deed are considered the applicant by the city.
2. The home must have been the applicant's principal residence for at least two (2) years.
3. The applicant can only own and occupy one residential property.
4. The total annual gross (pre-tax) household income cannot exceed 80% of the Area Median Income (AMI) as established and provided annually by the HUD. Verification of the applicant's total household² total annual

² Definition of Household: For the purposes of determining MHRP program eligibility, "household" is defined as all the people who occupy the residence. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the residence. A person living alone

gross income³ may not exceed 80% of the Denver-Aurora-Lakewood Median Area Income. New household income thresholds are provided by HUD annually. Below are the 2022 80% income limits:

| | |
|------------------------------|-----------|
| One-person household | \$62,600 |
| Two-person household | \$71,550 |
| Three-person household | \$80,500 |
| Four-person household | \$89,400 |
| Five-person household | \$96,600 |
| Six-person household | \$103,750 |
| Seven-person household..... | \$110,900 |
| Eight-person household | \$118,000 |

Effective Date: July 1, 2020, updated annually

5. The applicant must be a legal resident of the United States.

ELIGIBLE REPAIRS GUIDELINES

For a repair to be eligible, it must meet at least one of the following classifications:

1. Health and safety improvements, as required by code;
2. Accessibility improvements to accommodate the elderly and disabled persons;
3. Energy efficiency and other conservancy related improvements to address long-term sustainability and affordability;
4. Repairs and general property improvements of a non-luxury or non-cosmetic nature;

CDBG funds will be used first to address building code deficiencies, and situations threatening the health and safety of residents, before addressing any other rehabilitation work. All repairs are subject to program funding limits and approval of the city's CDBG Office.

By law, repairs over \$5,000 must include testing for the presence of lead-based paint in pre1978 construction. If lead is detected, the appropriate repairs and clearance of detected lead-based paint must be performed as a component

in a residence, or a group of unrelated people sharing a residence such as partners or roomers, is also counted as a household.

³ Definition of Income: the previous 12-months pre-tax income from all members of the household, 18 years or older. If a household member turned 18 during this 12-month period, only the income earned after turning 18 will be calculated.

of the rehabilitation and is subject to the per home grant limit. A lead-based informational pamphlet is included in the Application Packet. If you did not receive this pamphlet, contact the CDBG Office

ELIGIBLE EXPENSES

The city's CDBG Office must approve any costs before starting any home repair. The total cost of the home repairs may not exceed twelve thousand dollars (\$12,000), not including project delivery costs incurred by the administration of the CDBG funds. The project costs are divided into two categories:

Project Delivery Costs

Project delivery costs are more planning and preparatory in nature, and may include, but are not limited to:

1. Project-related professional services including administration, architectural, engineering, inspection, hazardous material testing, or related services required to prepare plans, drawings, inspections, specifications, or work write-ups.
2. Building permits and Use Tax costs.

Project Repairs and Improvement Expenses

Repair and improvement costs for the applicant(s)' home may include, but are not limited to:

1. Labor
2. Site Preparation
3. Materials used for the MHRP program. These materials shall conform to the specifications designed by the city and the contractor. If the applicant does not approve of the materials to be used, the affected construction shall be deleted in its entirety.
4. Exterior and interior abatement/treatment of lead-based paint hazards
5. Exterior and interior abatement/treatment of other hazardous materials, such as asbestos
6. Restoration of any construction damage including drywall, paint, landscaping, fencing, and ground cover.
7. Costs to demolish existing non-compliant structures, if necessary, to the overall project, and with prior approval by the CDBG Office.

8. Any Uniform Relocation Act (URA) related costs with prior approval of the city's CDBG Office.

INELIGIBLE EXPENSES

Ineligible activities and expenses include the following:

1. Reimbursement for an owner's personal labor or invoices from independently obtained contractors/laborers
2. Repair, purchase, or installation of household appliances which are designed and manufactured to be freestanding such as refrigerators, stoves, and ovens
3. Recreational items such as barbecues, bathhouses, greenhouses, spas, Jacuzzis, swimming pools, saunas, television antennae, or tennis courts
4. Luxury items such as dumbwaiters, kennels, murals, flower boxes, awnings, patios, decks, storage sheds, or workshops
5. Materials, fixtures, and installations which are considered luxury in nature
6. Any repairs or expenses which, in the determination of the city, do not meet the intent of the MHRP program
7. Any repairs or expenses related to continuing or promoting illegal use of the property
8. Refinancing existing debt

WAITING LISTS

Upon receipt of a complete application, city staff and the contractor will review each application in order of submittal. Applications deemed eligible will be placed on the *Waiting List*. The *Waiting List* is only for approved, eligible applications. The city and contractor will perform projects in numerical order from the *Waiting List*. Due to limited funding and other federal regulations, being placed on the *Waiting List* does not guarantee the project will be completed. Projects deemed Extremely Urgent may get priority placement on the *Waiting List*.

Please notify the city CDBG Office if your income or ownership status changes. Due to federal regulations, if you are on the *Waiting List* for more than **120** days, your income and application information must be re-verified and re-documented.

ENVIRONMENTAL REVIEWS

After your project is placed on the *Waiting List*, the city and contractor will undergo a federally required Tier 2 Environmental Review. This review follows a prescribed checklist, including floodplains, exposure to toxic sites, and historic preservation. If environmental concerns are discovered, corrective measures will be considered. Should your project fail the environmental review, it will be deemed ineligible.

Should any environmental improvement measures be deemed by the city or contractor as achievable, they will be incorporated into your MHRP project. However, any needed non-repair expenses, such as floodplain insurance, must be borne by the applicant for the project to continue. The Tier 2 Environmental Review must be finalized before any spending can occur on or for the home repair.

TO OBTAIN AN APPLICATION

To obtain an application, the homeowner may go online and download the application and information at:

www.c3gov.com/CDBG

or contact the city's CDBG Office:

Glewis@c3gov.com
720-760-5552

After the homeowner completes the application, it needs to be returned to the Civic Center, CDBG Office, located in the Community Development Department. Completed applications with required documentation will be sent to the contractor for verification and further processing. **Incomplete applications will not be approved.**

Once the application is complete, verified, and deemed eligible, the applicant will be placed on the *Waiting List*. This list is serviced on a first-come, first-serve basis. Exceptions to the *Waiting List* order are projects presenting Urgent Repairs⁴.

APPLICATION REQUIREMENTS

The Application must be completed in full. The following documentation (copies only please) is required to be returned with the Application. Incomplete

⁴ Extremely Urgent projects include but are not limited to: no running water, no heat in cold weather, immediate life threatening hazards, raw sewage backups, or major plumbing leaks.

applications cannot be placed on the *Waiting List*. Once the application is complete, the MHRP projects are started on a “first-approved, first-serve” basis.

Signature Documents:

- ☐ Signed and dated Certification and Indemnification form
- ☐ Signed and dated Understanding of the MHRP Process form
- ☐ Signed and dated Lawful Presence Affidavit(s)

Proof of Property Ownership and Residency:

- ☐ Copy of Grant Deed or Deed of Trust, or the most recent Property Tax Bill. **If** the home is paid off, provide a copy of the property title or release of deed of trust, **and**
- ☐ Proof of current property insurance, **and if** applicable include proof of flood insurance, **and**
- ☐ Proof the home's property taxes are paid and current, **and**
- ☐ Proof of Commerce City residency with a copy of current utility bill (gas or electric, not water), **and**
- ☐ Copy of applicant's and co-applicant's Driver's License or Picture Identification

Proof of Income – All Household Members 18 Years Old or Older:

- ☐ Copy of the past year's Federal Income Tax Return with W-2's for each member of the household, **and**
- ☐ Copies of the three most current Bank Statements for each member of the household, **and**
- ☐ **If applicable**, a copy of two (2) most recent (consecutive) pay stubs for each household member, **and**
- ☐ **If** you receive Social Security, attach the Social Security Benefits Adjustment Letter(s) for the current year, **and**
- ☐ **If** you receive a pension(s) attach the 1099 form from the pension provider(s) for the last year, **and**
- ☐ **If** you receive any retirement savings distributions (i.e., IRA, 401(k), 403(b), 457(b)), include your 1099R or most recent statement showing total year to date disbursements, **and**
- ☐ **If** you received any other regular payments (unemployment, child support, alimony, interest earnings, royalties, rental income, etc.), attach verification of your most current receipt. This documentation may be in

the form of a government statement, official letter, separation agreement, lease, or court order, **and**

- ☐ Two most recent investment account statements, if you have an investment account(s), **and**
- ☐ If self-employed, copies of the past three months' bank statements and the past year Schedule C, **and**
- ☐ Name and value of any businesses owned and operated by household members, **and**
- ☐ Mortgage statement or title for property owned other than your primary residence

The city or contractor may request additional items throughout the application process.

CONFIDENTIALITY AND AUTHORIZATION

The CDBG Office will treat all application information as confidential and, unless required by law, no personal information will be provided to anyone who is not directly involved in the efforts to administer funding, repair, or improve the property.

The application authorizes the city to discuss and research, as necessary, information related to the personal circumstances in an attempt to repair or improve the property. This may include obtaining: financial, employment, and information from other agencies or institutions. The application serves as written consent giving the city and the contractor permission to verify personal information, as deemed necessary, to expedite the repairs and/or improvements to the applicant's property.

PROGRAM ADMINISTRATION

Verification and Eligibility Determination

The contractor is responsible for verifying each application complies with guidelines established by the CDBG program. Household income and size must be verified before applicant eligibility can be established.

All application information and documentation must be current before the beginning of rehabilitation. If an approved application is delayed over One-Hundred and Twenty (120) days from approval, all information, including household income, must be re-verified and re-documented before the beginning of the rehabilitation.

When an application is approved or denied, the city will send a letter notifying the applicant of their status.

Property Inspection

Once the application is verified and approved, the city's contractor will contact the applicant to arrange a visit to the property. The contractor will conduct the property inspection with the applicant, including:

1. Interviewing the property owner to identify known problems
2. Walking through the buildings and grounds of the property to identify repair needs
3. Preparing a work write-up detailing each needed repair and estimated costs

Preparation of Work Write-Up

The contractor will prepare a detailed work write-up addressing:

1. Health and safety repairs as required by code
2. Accessibility improvements
3. Energy efficiency and conservancy improvements
4. Lead-based paint testing and abatement/removal (if necessary). The contractor will also forward a copy of the lead-based paint risk assessment to the homeowner with other required information
5. Other hazardous materials needing to be abated or removed
6. Other eligible repairs and general improvements

The contractor will deliver to the city and applicant a copy of the completed work write-up, including cost estimates, notes, dates of inspection, persons interviewed, persons in attendance at walk-through, and any special circumstances.

The project or the property may not be suitable for the Minor Home Repair Program due to issues like: unsafe working conditions, excessive code violations, high repair estimates, environmental review concerns, title/mortgage concerns, illegal use of the property, or if the owner no longer wants to participate. Should the project or property be deemed unsuitable, an MHRP Denial Letter will be issued by the city and sent to the applicant.

DENIAL OF AN APPLICATION

The city/contractor may deny an application for any of the following reasons:

1. Eligibility requirements are not met.
2. The property is deemed unsafe due to hazardous conditions, which may include but is not limited to unsanitary and crowded conditions, vicious or uncontrolled animals, illegal activities on-premises, unsafe roofs or entryways, severe structural problems, or any other worker safety-related issues.
3. The needed repair work exceeds the scope of the MHRP either in the cost or size of the project.
4. The applicant is uncooperative in allowing reasonable access to the property, with appropriate notice, to the contractor/subcontractor(s).

If the reason for the denial is corrected or eligibility thresholds are met in the future, the homeowner may reapply. In the event of a denial dispute, interpretations and recommendations received by the designated program representative at HUD's Denver Office (1670 Broadway, Denver, CO 80202, (303) 672-5440) will be the final and absolute determination.

AFFIRMATIVE MARKETING PROCEDURES

From time-to-time, the city will develop and publish information about the MHRP's eligibility criteria and application opportunities with bilingual materials and/or through bilingual outreach avenues such as:

1. The city's website - with Google Translate
2. Local English (Sentinel) and Spanish newspapers
3. The city's monthly, bi-lingual newsletter *Connections* sent to every household in the city
4. The city's social media outlets
5. Distributed MHRP bi-lingual publications throughout the city
6. Inclusion in area resource directories - both in print and online
7. Presentations at public meetings and events
8. Advertising on the city's public TV Channel 8
9. Briefing and providing contact materials for non-profit organizations
10. Presentations at service provider meetings

EQUAL OPPORTUNITY

No person shall be excluded from participation in or be denied the benefits of the MHPP due to illegal discrimination. Program participants are selected on a first-come, first-served basis as described in this Guide.

SPECIAL ACCOMMODATIONS

Upon the launch of the MHRP, the city and contractor will provide bilingual application materials in Spanish for applicants. If requested, the city will arrange for interpreters to help non-English speaking applicants understand the MHRP program, Guide, Application, the inspection process, work write-up, cost estimates, and be available to answer any questions.

To request language accommodation, please contact CDBG Coordinator George Lewis at 720-760-5552, Glewis@c3gov.com, or visit our website at www.c3gov.com/CDBG. Seven days' advance notice will allow us to provide the necessary interpreters.

To request special accommodation, please contact CDBG Coordinator at 720-760-5552, Glewis@c3gov.com, or visit our website at www.c3gov.com/CDBG. Ten days' advance notice will allow us to provide the necessary accommodation(s).

LEAD-BASED PAINT

Properties constructed before 1978 require Lead-based Paint information to be given to all property owners. This notice shall be provided immediately upon the applicant's application for the MHRP and will be included with the application. The contractor will test CDBG assisted properties constructed before 1978 for the presence of lead-based paint utilizing a licensed vendor, to comply with federal regulations.

Any lead-based paint found as a result of these tests shall be addressed following the requirements of 24 CFR Part 35 and 40 CFR Part 745, and will constitute a PRIORITY item for rehabilitation. Owners will be informed if their home will be tested for the presence of lead-based paint and, if necessary, the abatement process during the rehabilitation.

UNIFORM RELOCATION ACT

Although no displacement is expected to occur, the city's will minimize the displacement of persons and assist any persons displaced. The specific type

and levels of assistance the city will make available to displaced persons will comply with 24 CFR 42.3.

ATTACHMENT:

Commerce City CDBG Target Area Map

RETURN THE COMPLETED APPLICATION AND ALL DOCUMENTATION TO:

Civic Center
CDBG Office
7887 E. 60th Avenue
Commerce City, CO 80022

FOR ADDITIONAL INFORMATION

www.c3gov.com/cdbg

QUESTIONS CAN BE DIRECTED TO THE CDBG OFFICE:

George Lewis, CDBG Coordinator
Glewis@c3gov.com
720-760-5552





Commerce City, Colorado CDBG Target Area Map

