





NEIGHBORHOOD PRESERVATION PROGRAM

2019/20 Rental Rehabilitation Program (RRP)

**PRIDE IN
PORT HURON**

 Grant for exterior only

 Requires a 25 percent match

Please make an appointment when ready to return application!

CONTACT:

Community Development/Neighborhood Preservation Program
Municipal Office Center
100 McMorran Boulevard
Port Huron, MI 48060

(810) 984-9736

Last updated 6/28/19



NEIGHBORHOOD PRESERVATION PROGRAM GUIDELINES (GENERAL REQUIREMENTS FOR EXTERIOR IMPROVEMENTS)

Applicants will be assisted on a first-come, first serve basis according to the date of the application and their ability to meet all of the program requirements. Every effort will be made to assist eligible applicants. Bring all required documents upon returning the application.

1.0 General Program Description:

- 1.1 The program provides rental property owners with assistance from the City (referred to as a deferred payment loan, although no repayment is required if program requirements are adhered to). The funds may be used towards the exterior improvements of one of their residences within the City of Port Huron. One property per landlord, and can only participate every ten years.
- 1.2 Applicants tenants must qualify at 80% or below the median income based on the upcoming 12 months. This regulation has been established for our area by the Department of Housing and Urban Development.

Each unit's income must be below:

As of 6/28/19

Number of Persons in Household	1	2	3	4	5	6
Income Limits	\$42,750	\$48,850	\$54,950	\$61,050	\$65,950	\$70,850

- 1.3 Landlords must have owned the property for at least thirty (30) days prior to submitting the application and agree to maintain condition of property for a period of five (5) years. Property owner must reside within the State of Michigan (representatives will not fulfill this requirement). Failure to comply will result in repayment of 100% of the façade grant.
- 1.4 If the applicant's income increases during the five-year period, they are not to be displaced. If the tenant's income increases and exceeds 80% of median, they must pay a minimum of 30% of their gross monthly income on rent and utilities.
- 1.5 If the current in-place tenants move out of the rental unit after rehabilitation, subsequent tenants must also meet applicable "low income" requirements. It is the property owner's responsibility to provide documentation (reason) why tenant vacated. It is also the property owner's responsibility to provide the Community Development Office with a completed Tenant Family Composition Form (available from our office) completed by the prospective new tenant, prior to moving in. Verifications of tenant income will need to be done before the new family moves into the available unit.
- 1.6 Participants agree to maintain low to moderate income persons in the residence for a period of five years. A lien will be placed on the property for the five year period (being reduced at 20% a year if complied).
- 1.7 The Community Development Department is committed to the following Fair Housing Standards: An applicant will not be denied based on race, color, religion, sex, disability, familial status or national origin. Denial for participation is determined solely on the applicant's income and efforts to fulfill all requirements of the program.

2.0 Grant Amount:

- 2.1 The Rental Rehabilitation Program's grant is limited to 75% of the total rehabilitation costs or a maximum of \$15,000 (and a minimum of \$1,000).

3.0 Rent Affordability Standards:

- 3.1 Rents cannot exceed current Fair Market Rents (FMR) (including tenant utility allowances), whichever is less. These rents rates are the guide for maximum allowed rent rate charges. The City of Port Huron cannot guarantee rent rates or payments through implementation of the Rental Rehabilitation Program.
- 3.2 Rent increases are not permitted for one year after the building has been completed. Rent increases will be permitted after the first year as long as the City and the tenant are given 30 days written notice. The increase must not be in violation of the current lease agreement and the increased rent will not exceed previously given rent limits.
- 3.3 There are no allowances or acceptance of relocation or displacement of tenants. Relocation and/or displacement of tenants after the date of application will not be allowed. Property owners assume all risks and responsibilities related to this issue. Tenants and property owners must agree to one (1) year lease.
- 3.4 Rents must remain “affordable” for a period of five years. Current maximum rent rates are determined by many factors including size. The following rent rates are provided as the most recent example available. These rates are subject to change and include paid utilities:

Unit Size	1 bdrm	2 bdrm	3 bdrm	4 bdrm
Maximum Rent FY 2019 (eff. 6/28/19)	\$753	\$967	\$1,261	\$1,371

- 3.5 Property owners and the City must re-certify the tenant’s household income, status and rent rate on an annual basis, for a period of five (5) years from completion.

4.0 Eligible Property:

- 4.1 Any property that has already received any other type of grant monies or benefits from the City of Port Huron Rehabilitation Programs will not be eligible to participate.
- 4.2 All property taxes, rentals fees, water and sewer assessments and/or other fees must be paid to date on the eligible property.
- 4.3 Property must be strictly residential (no commercial use).
- 4.4 Upon completion, each rental unit within the property must meet appropriate minimum City Codes for existing housing units.

5.0 Inspection/Rehabilitation:

- 5.1 Each potential participating property must undergo an “Initial Inspection” to determine existence of housing code violations and/or Section 8 HQS violations. From this inspection, a list of possible concerns on the exterior of the property will be given to the applicant. If there are not any major problems discovered, the applicant may be able to qualify for the NPP grant. If the exterior of the home is too far gone and the grant dollars would not be enough to cover the expenses and the homeowner does not have other resources for funding, then the application may be denied.
- 5.2 In compliance with the federal regulations regarding lead based paint, the exterior will be tested for the presence of lead based paint. The testing will be determined by a certified lead based paint inspector. Results of the inspection will be disclosed to the landlord. Evidence of lead based paint will influence how the work to be done is handled and by whom.

5.3 All improvements will consist of exterior only to permanent structures such as: roof, siding/paint, trim/soffit/fascia, porch replace/repair, gutters/downspouts, etc.

5.4 All improvements must consist of new materials and fixtures. Used materials will not generally be allowed.

6.0 Contracting:

6.1 Work must be completed by a licensed and insured contractor. The contractor must have lead-based paint certification as well. (The landlord will be responsible for submission of three (3) bids in a timely manner, preferably local contractors within the City Limits and the application process).

7.0 Financing

7.1 Matching funds must be provided in the form of cash or a certified check made payable to the City of Port Huron at the contract signing. The disbursements will be made out to the contractor and the landlord and must be endorsed by both. The matching funds are referred to as the “private commitment”.

7.2 Rental Rehabilitation Program funds may not be used for any improvements completed or costs incurred prior to the contract signing.

Steps to Proceed:

1. Complete application.
2. Call for an appointment with Nichole Smith at (810) 984-9736 to bring in application and the list of items needed (on the following page) to your appointment.
3. Itemize what you would like to do to the exterior of your home:
 1. _____
 2. _____
 3. _____
 4. _____
 5. _____
4. **Once approved**, and the scope of work is determined by City staff, you will need to get bids from three (3) contractors that are licensed and insured.
5. Once you have three (3) bids, call Nichole for a meeting to review all bids.
6. When the contractor is selected for the work both the contractor and the homeowner will meet to sign a contract and review the scope of work and timeline for the work to begin and to be complete. City building inspector, Community Development staff, and homeowner will oversee the project.
7. Contractor will be paid in two (2) payments. One payment when he orders and has materials delivered to the work site. The final payment will be released once all work is completed and approved by the building inspector, Community Development and the homeowner.
8. Any conflicts for work will be evaluated by the City Inspections Department for a resolution.

RENTAL REHABILITATION PROGRAM APPLICATION FORM

Please print and complete in ink.

APPLICANT (Landlord) INFORMATION			DATE RECEIVED:	
Name:	Phone:	Birth date:	Social Security Number:	
Address (Street, City, State, Zip):		Own or Rent?	# of years at this address:	
Former address, if less than two (2) years at present address (Street, City, State, Zip):		Own or Rent?	# of years at this address:	
Marital Status (check one) <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (includes single, divorced, widow/widower)		Check one: <input type="checkbox"/> Male <input type="checkbox"/> Female	# of people in household, including you:	
Employer Name:		Position:		# of years employed there:
Employer Address (Street, City, State, Zip)			Phone:	
If self-employed, name of company:*				
Name of relative not living with you:			Relationship:	
Address (Street, City, State, Zip):			Phone:	
CO-APPLICANT INFORMATION				
Name:	Phone:	Birth date:	Social Security Number:	
Address (Street, City, State, Zip):		Own or Rent?	# of years at this address:	
Former address, if less than two (2) years at present address (Street, City, State, Zip):		Own or Rent?	# of years at this address:	
Marital Status (check one) <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried (includes single, divorced, widow/widower)		Check one: <input type="checkbox"/> Male <input type="checkbox"/> Female	# of people in household, including you:	
Employer Name:		Position:		# of years employed there:
Employer Address (Street, City, State, Zip)			Phone:	
If self-employed, name of company:*				
Name of relative not living with you:			Relationship:	
Address (Street, City, State, Zip):			Phone:	

**For self-employed persons, please submit two years of company tax returns, a Profit and Loss Statement, and a Balance Sheet for the current period.*

PROPERTY INFORMATION

Property that contains an owner-occupied dwelling unit or office space for the owner is NOT eligible.

Address of property to be rehabilitated: _____

Number of units within the building: _____

Legal form of ownership: Applicant(s) Partnership/Corporation

Structure Information	Lease Agreement Yes	Lease Agreement No	Number Of Units That Are:	Check if Unit is Vacant	*Monthly Rent	Security Deposit Amount Paid
Efficiency						
1 Bedroom Unit						
2 Bedroom Unit						
3 Bedroom Unit						
4 or more Bedroom Unit						

Total Current Monthly Rents = \$ _____
 X 12 = _____
 Annual Rent Revenues: \$ _____

Minus Annual Operating Costs:

Utilities (Check those you pay for):

Heat Water/Sewer Electricity\$ _____
 Maintenance (insurance, repairs, etc.)\$ _____
 Debt Service (mortgage, taxes, loans, etc.)\$ _____

Total Annual Expenses: \$ _____

Ownership of Property:

Fee Title (free and clear)

Conventional Mortgage

Date acquired: _____
 Original amount: _____
 Monthly payment: _____

Name of Bank: _____
 Address: _____
 Approx. present balance: _____

Land Contract

Date acquired: _____
 Original amount: _____
 Monthly payment: _____

Address: _____
 Approx. present balance: _____

PRESENT TENANT CHARACTERISTICS (Attach additional list if necessary):

Unit Number	Number of Persons Residing in Unit	Estimated Total Annual Income of Household	Name of Head of Household	Name of Dependents	Age

Are any units presently receiving Section 8 Rent Subsidy? No Yes, which units(s)?

CHECK LIST OF REQUIRED DOCUMENTATION

The following checklist specifies the items required to review and properly evaluate your application. Failure to provide the required documentation will lead to delays in the processing of your application. **Please call the Community Development Office at 984-9736 to schedule an appointment to return your application.**

Please bring the following documents with you when returning your application:

- ▶ Complete all areas of the attached application

Please provide copies of the following items per unit:

Proof of Income: (for everyone age 18 and older that resides in the unit) (for tenants)

- ▶ Paycheck stubs for the past 30 days from all sources of income
 - Sources of income could include:
 - Wages, salaries, tips, etc.
 - Business income
 - Interest and dividend income
 - Retirement and insurance income
 - Armed forces income
 - Welfare assistance (TANF) payments
 - Unemployment income
- ▶ A signed copy of your past two (2) years income tax returns (state & federal) and W-2's
- ▶ 1099 form for pension income and verification of most recent check received
- ▶ Social Security benefit letter and verification of most recent check received
- ▶ Child Support/alimony verification and most recent check received

Proof of Identity: (for landlord & tenants)

- ▶ Drivers license or state identification card
- ▶ Social Security card
- ▶ If minor children live in the household, their birth certificate and social security card

Proof of Ownership: (from landlord)

- ▶ A recorded warranty deed or recorded land contract
 - If the home is being purchased under a land contract agreement, the seller(s) must give written consent as to improvements to the home. Consent forms are available from the Community Development office

Proof of homeowner hazard insurance: (from landlord)

- ▶ A current copy of homeowner insurance policy's declaration page
- ▶ Must sign an insurance agreement with the City (attached)

Executed copy of lease (must be at least a 1-year contract). (from landlord)

Release of income verification: (from tenants who receive income)

- ▶ Forms are to be signed and dated by all adult household members who receive income

THIS SECTION APPLIES TO ALL APPLICANTS (Landlord):

I/We certify that the above statements are true, accurate, and complete to the best of my/our knowledge and belief. Verification of information on this application may be obtained from sources named herein. I(we) also understand that I(we) are subject to cancellation if I(we) knowingly make a false statement or a misrepresentation in this application, or cause such to be made. I (we) agree to abide by the terms and conditions set forth by the City in connection with this program for a period of five (5) years. This application shall remain the property of the Community Development Office of the City of Port Huron. This application will be considered current for six (6) months from the date below, after that time the application may be removed from the file due to lack of activity.

I/We hereby consent to and authorize the Community Development staff and/or inspectors of the City of Port Huron, or HUD, after giving reasonable notice, to enter the improved property to determine that the improvements specified in this application have been completed.

I/We understand that the selection of a contractor and the acceptance of the materials used and the work performed is my/our responsibility, and neither the City of Port Huron nor HUD guarantees the quality of workmanship of the property improvements.

I/We understand that it may be a federal crime, punishable by fine or imprisonment or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of the United States Criminal Code.

Please check this box now if you do not wish to participate in the programs.

ETHNICITY (select *only one*):

- Hispanic or Latino:** A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
- Not Hispanic or Latino:** A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

RACE (select *all that apply*):

- American Indian or Alaska Native:** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- Asian:** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands Thailand, and Vietnam.
- Black or African American:** A person having origins in any of the black racial groups of Africa.
- Native Hawaiian or other Pacific Islander:** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- White:** A person having origin of the original peoples of Europe, the Middle East, or North Africa.

Applicant's Signature

Date

Co-Applicant's Signature

Date

For City of Port Huron: The undersigned has reviewed and/or assisted the applicant(s) with this application:

Interviewer's Printed Name

Interviewer's Signature

Date

INSURANCE AGREEMENT

I hereby agree to place the City as a "loss payee" on my property insurance policy per the application requirements and guidelines of the City of Port Huron Neighborhood Preservation Program Façade Grants.

I understand this is to secure investment in my property by the City of Port Huron in the event the property referenced below is damaged or destroyed while still under a mortgage loan obligation.

Property Owner's Signature

Property Address

Date

Insurance Carrier

Carrier Address

Policy Number

Has there been a recent Rental Inspection on this property: _____ Yes _____ No

If so, when: _____

I own other properties within the City of Port Huron: _____ Yes _____ No

If so, please list other properties:

RELEASE OF INFORMATION FORMS

(To be signed and dated by *all* household members (tenants) who receive income)

I hereby authorize _____
(employer, agency, etc.)

to release any information pertaining to my employment, income, and/or case as may be required by the City of Port Huron's Community Development Office with the assurance that all information obtained will be held in strict confidence to be used only in determining eligibility.

Signed: _____ Date: _____

I hereby authorize _____
(employer, agency, etc.)

to release any information pertaining to my employment, income, and/or case as may be required by the City of Port Huron's Community Development Office with the assurance that all information obtained will be held in strict confidence to be used only in determining eligibility.

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Signed: _____ Date: _____