

HIDALGO COUNTY URBAN COUNTY PROGRAM



**Community Development Block Grant Disaster Recovery (CDBG-DR)
Program Housing Projects
2015 Flood Allocation**

HOUSING GUIDELINES

I. Introduction

The General Land Office (GLO) and Long-Term Recovery

Hidalgo County Urban County Program (UCP) has been approved by the GLO as a Subrecipient of Community Development Block Grant Disaster Recovery (CDBG-DR) fund and understands that the GLO's Community Development and Revitalization (GLO-CDR) division oversees the administration of Community Development Block Grant Disaster Recovery (CDBG-DR) funds provided by the U.S. Department of Housing and Urban Development (HUD) following a disaster. These funds remain the most flexible recovery source available and can support communities with protection and resiliency.

CDBG-DR funds are a special appropriation from Congress, associated with a Presidentially Declared Disaster.

CDBG-DR funds must meet one of the following HUD designated National Objectives to be eligible for award:

- Benefiting Low- to Moderate-Income Persons
- Preventing or Eliminating Slum or Blight
- Meeting Urgent Needs

The purpose of these Housing Guidelines is to aid in the long-term recovery efforts for the replenishing of housing stock lost due to a presidentially declared disaster event. Questions regarding this Guide or requests for more information should be directed to Hidalgo County (UCP).

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1. HOUSING RECOVERY PROGRAM OBJECTIVES

The primary focus of the housing recovery program is to provide relief for survivors in Hidalgo County affected by the severe storms, tornadoes, straight-line winds, and flooding (DR-4223) and (DR-4245) events while complying with all CDBG-DR requirements and addressing recognized impediments to affirmatively furthering fair housing as required under the Fair Housing Act. Assistance may be provided to survivors under a variety of housing options including acquisition, rehabilitation, reconstruction, new construction, demolition, elevation, hazard mitigation and storm hardening of homeowner units as allowable by an approved Action Plan. All housing activities should consider the following objectives:

- Provide high quality, durable, resilient, mold resistant, meet green standards, and energy efficient, decent, safe, and sanitary housing that also mitigates impacts from future disasters. Resilient measures may include elevating the first floor of habitable area; breakaway ground floor walls; reinforced roofs; storm shutters, etc.
- The Hidalgo County UCP will ensure that outreach and communication efforts reach eligible survivors from all racial, ethnic, national origin, religious, familial status, the disabled, "special needs," and gender groups.
- The Hidalgo County UCP will be focused on LMI areas and those communities with minority concentrations that were affected by the disaster. Outreach efforts will include door-to-door canvassing and special outreach efforts to hard-to-reach populations (e.g., seniors, and persons with severe disabilities who either do not have information about the resources available or are unable to apply for resources).
- Place an emphasis on housing choices and designs to reduce maintenance and insurance costs, as well as provide the provision of independent living options.

2. DEFINITIONS

Adjusted Gross Income (AGI) – AGI is an individual’s total gross income minus specific deductions. The GLO-DR Adjusted Gross Income Methodology may be found at <http://recovery.texas.gov/>

Affirmative Furthering Fair Housing (AFFH) – is a legal requirement that federal agencies and federal grantees further that purposes of the Fair Housing Act. HUD’s AFFH rule provides an effective planning approach to aid program participants in taking meaningful action to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. The HUD AFFH tool and rule can be found here: https://www.huduser.gov/portal/affht_pt.html.

Affirmative Fair Housing Marketing Plan – A document used to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability¹. Implementing Affirmative Fair Housing Marketing Requirements Handbook (8025.0) can be obtained from HUD’s website: https://www.hud.gov/program_offices/administration/hudclips/handbooks/ftheo/80251

Area Median Family Income (AMFI) – Calculated limits based on HUD-estimated median family income with adjustments based on family size.

Beneficiary – The recipient deriving advantage from CDBG-DR funding.

Builder/Contractor – (Used interchangeably) A person who contract to construct or repair houses or buildings and/or supervises building operations.

Builder Assignments – A qualified pool of builders developed by the Hidalgo County or state. They must also meet state and federal procurement requirements and possess controls that will ensure quality construction based on the Minimum Property Standards (MPS Housing Quality Standards (HQS).

Case Management – Working with individual survivors and their families to understand the program’s housing options, resulting in clear and transparent determination of eligibility. Case Managers must take into account all special circumstances of the survivor’s needs to decrease their barriers to participate in the program where possible. Staff should meet at designated locations and supply information in a standard format.

Damage Assessment - An inspection of the unit to document damage from the event. The assessment by a certified or licensed inspector (HQS, TREC, or similar license/**experienced inspector**) is required to specifically and clearly document storm related property damage via photographic evidence and detailed narratives (see the GLO’s Damage Assessment Guidelines) found at <http://recovery.texas.gov/>. Damage assessments may also include final cost of repair estimates according to local code and HUD’s Housing Quality Standards and mold remediation to bring home up to code at completion.

Duplication of Benefits – The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source.³

¹ 24 CFR 200.625

<https://www.hudexchange.info/resources/documents/Housing-and-Community-Development-Act-1974.pdf>

³ Federal Register/Vol. 81, No. 117/Friday, June 17, 2016/Notices (2015 Flood event); Federal Register/Vol. 81, No. 224/Monday, November 21, 2016/Notices (2016 Flood event); Federal Register/Vol. 82, No. 247/Wednesday, December 27, 2017/Notices (Hurricane Harvey)

Environmental Review- All substantially qualified applicants (e.g. applicants who apply for the repair and replacement of their damaged unit must have received damage from the event, own their home and lived in the home as their primary residence) must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (NEPA) and other applicable state and federal laws.

Elevation Standards- Standards that apply to ~~new construction~~, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1).

Event – The 2015 & 2016 Texas Presidentially declared storm and flooding disaster.

Family – A household composed of two or more related persons. The term family also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well-being and the surviving member or members of any family described in this definition who were living in a unit assisted under the Housing Opportunities for Persons With AIDS (HOPWA) program at the time of his or her death.

FEMA-Designated High-Risk Area – Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.

Federal Register (FR) - A daily publication of the US federal government that issues proposed and final administrative regulation of federal agencies.

Flood Disaster Protection Act of 1973 and Sec. 582(a) of the National Flood Insurance Reform Act of 1994 – Compliance with the legal requirements of Section 582(a) mandates that HUD flood disaster assistance that is made available in an Special Flood Hazard Areas (SFHAs) may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration for flood damage to any personal, residential or commercial property if:

- (1) The person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and (2) that person failed to obtain and maintain flood insurance as required under applicable Federal law on such property.

Flood Hazard Area – Areas designated by FEMA as having risk of flooding

Flood Insurance – The Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) requires that projects receiving federal assistance and located in an area identified by FEMA as being within a Special Flood Hazard Area (SFHA) be covered by flood insurance under the National Flood Insurance Program (NFIP). In order to be able to purchase flood insurance, the community must be participating in the NFIP. If the community is not participating in the NFIP, federal assistance cannot be used in those areas.

Floodplain – FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.

- “100-year floodplain” — the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year.
- “500-year floodplain” — the geographical area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year.

General Land Office (GLO) – The Texas General Land Office is the lead state agency for managing the state’s Community Development Block Grant – Disaster Recovery funds through the U.S. Department of Housing and Urban Development.

Grant Agreement – A funding agreement detailing eligible program costs and project-specific award agreements between HUD and the GLO, including regulatory provisions, certifications, and requirements.

Green Building Standards – All rehabilitated (meets the definition of substantial improvement) **or** reconstruction ~~or new construction~~ must meet an industry-recognized standard that has achieved certification under at least one of the following programs: (i) ENERGY STAR (Certified Homes or Multifamily High-Rise), (ii) Enterprise Green Communities, (iii) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), (iv) ICC– 700 National Green Building Standard.

Home/Housing Unit - (used interchangeably) – a house, apartment, group of rooms, or single room occupied or intended for occupancy as separate living quarters.

Homeowner Assistance Activity – The utilization of CDBG-DR funding to rehabilitate or reconstruct damaged homes in order for the applicant to remain in the original home at the original home site. The home to be assisted must have been owner-occupied at the time of the event.

Household – A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two (2) or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the low- to moderate- income (LMI) objective is based on the LMI of households.

Housing and Urban Development Act of 1968, Section 3 – Requires the Subrecipient to ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing Federal, State, and Local laws and regulations, to low and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32. ⁴

Housing Quality Standards (HQS) – The HQS establishes certain minimum standards for buildings constructed under HUD housing programs. This includes new single-family homes and multifamily housing as outlined in 24 CFR 982.401.

⁴ <https://www.hudexchange.info>

Housing Unit - An owner-occupied housing damaged or destroyed by an event.

Low- to Moderate - Income (LMI) National Objective – Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with GLO's Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by the Subrecipient to verify the income eligibility of each household applying for assistance at the time assistance is provided.

- Very low: Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size;
- Low: Household's annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size;
- Moderate: Household's annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size.

Needs Assessment – A needs assessment is a critical component in the allocation of funding across and within National Objectives for CDBG-DR funds. A given needs assessment will recommend the proportions of funding that should be set aside to benefit each LMI and non-LMI economic group. The needs assessment will determine the activities to be offered, the demographics to receive concentrated attention, the disabled, "special needs," vulnerable populations, and target areas to be served. The needs assessment will also include an assessment of the types of public services activities that may be needed to complement the program, such as housing counseling, legal counseling, job training, mental health, and general health services. The needs assessment should set goals within the income brackets similar to the housing damage sustained within the impacted areas. Deviations from goals must be approved by the GLO before the Program may move forward. The GLO will work with subrecipients to develop regional local needs assessments. Each needs assessment will be posted for a 14-day public comment period and approved by the GLO before implementation.

~~**New Construction** – A replacement home that substantially exceeds the original footprint on the existing lot (if permitted) or the construction of a new home in a new location.~~

One for One Replacement - Subpart B Requirements Under Section 104(d) of the Housing and Community Development Act of 1974, 24 CFR 42.375 provides for public and/or assisted lower-income dwelling units to be demolished or converted to a use be replaced with comparable lower-income dwelling units.

Overall Benefit – The state must certify that, in the aggregate, not less than 70 percent of the CDBG-DR funds received by the state during a period specified by the state will be used for activities that benefit persons of LMI.

Program – The GLO's plan, process, and procedures to assist communities and distribute CDBG-DR funds to rebuild disaster affected areas and provide a broad range of housing recovery activities as provided in the GLO's approved Action Plans and subsequent amendments.

Program Design – The selection and development of programs and activities based on a Needs Assessment. The Program Design must include the type of housing activities that will be offered by the Subrecipient, as well as how the Program will be marketed, how Fair Housing Objectives will be achieved, and how funding will be

prioritized as determined through a Needs Assessment.

Program Income- Net income derived from the sale of program assets that exceeds \$35,000 in a single fiscal year, received by the Subrecipient and directly generated from the use of housing CDBG-DR funds.

Reconstruction – Demolition and re-building of a stick-built or modular housing unit on the same lot in substantially the same footprint and manner. Activity also includes replacing an existing substandard manufactured housing unit (MHU) with a new or standard MHU or stick-built/modular housing unit. The number of units on the lot may not increase, and the total square footage of the original, principal residence structure to be reconstructed may not be substantially exceeded; however, the number of rooms in a unit may be increased or decreased.

Rehabilitation – Repair or restoration of housing units in the impacted areas to applicable construction codes and standards.

Single Family Home – A single-unit family residence detached or attached to other housing structures.

Subrecipient (Hidalgo County) – Cities, Counties, Indian Tribes, local governmental agencies (including COGs), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of Subrecipient does not include procured contractors providing supplies, equipment, construction, or services and may be further restricted by Program Rules or other guidance including applications.

Subrogation Agreement– Means an agreement executed by the beneficiary agreeing to repay any duplicative assistance if they later receive other disaster assistance for the same purpose.

Substantial Damage – Means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damaged occurred (44 CFR 59.1).

Substantial Improvement – Means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the “start of construction” of the improvement. This term includes structures which have incurred “substantial damage”, regardless of the actual repair work performed. The term does not, however, include either: (1) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions or (2) Any alteration of a “historic structure”, provided that the alteration will not preclude the structure’s continued designation as a “historic structure”(44 CFR 59.1).

Texas Integrated Grant Reporting (TIGR) – TIGR is the GLO system of record for all CDBG-DR grant management and reporting.

Unsecured Forgivable Promissory Note – Is an agreement between the assisted beneficiary and Subrecipient/GLO that requires applicants to comply for several terms during a set affordability period. At the end of the affordability period the terms are forgiven after they are met by the homeowner.

Vendor – The subrecipient procured vendors, or private grant administrators, providing supplies or services to administer the Program and to serve homeowner assistance needs. Upon approval, the vendor may

implement the Program or act on behalf of the subrecipient.

3. PROGRAM DESIGN

Evaluation of Survivor Data to Determine Unmet Housing Needs

In order to develop the Program Design for all activities offered through this funding, the Hidalgo County Urban County Program (UCP) will use qualified data (HUD/FEMA/SBA or insurance data used to allocate the disaster funding or other data as approved by the GLO in advance).

- Qualified data will be used to document the impact of the relevant storm on the LMI subcategories which will aid in the development of a goal for targeting the use of housing funds in the appropriate levels and to the appropriate economic categories.
- The method of data evaluation utilized by UCP (i.e., class distribution categories by income, raw number of homes impacted versus the aggregated dollar amounts impacting communities, etc.) will be made available to the public for fourteen days on a publicly accessible website. Notice of the posting of the method of review must be provided to the GLO not later than the day the method is posted on a website. If any public comment is made, UCP will address the comment in a public response.

A. Program Design Requirements

1. National Objective

All housing activities will meet the Low- to Moderate- Income (LMI) persons National Objective required under the authorizing statute of the CDBG-DR program.

2. Needs Assessment

Due to the limited amount of Disaster Recovery CDBG funding available, the Method of Distribution focused initially on the most affected areas of the County. Discussion amongst the most affected County Precincts resulted in an agreement to prioritize the projects by assisting the most affected areas. Hidalgo County Urban County Program (UCP), in conjunction with Precinct staff, concluded that Precinct 1 and Precinct 4 were the most affected areas. The Precincts created surveys via Survey Monkey to obtain essential information from residents in those areas. The surveys completed allowed for the identification of specific subdivisions within each precinct.

Affected Subdivisions:

- a) San Marcos Acres
- b) San Marcos Acres #3
- c) Alamo Estates
- d) Alamo Estates #2
- e) Herencia Manor
- f) North Alamo Terrace
- g) Kaylen Subdivision
- h) Chris Estates
- i) Alberta Meadows
- j) Alberta Meadows #2
- k) Trenton Oaks

An item of note, UCP Staff utilized Census.gov along with HUD provided census tract and block group data to determine Precinct 4 affected areas, which was identified to be 65.42% LMI. Also, the affected area population of estimated Non-Hispanic is 579, while the estimated number of Hispanics at 3,442. In addition, there is an estimated 61 persons of Black African American decent and 22 persons of Other Multi-Racial decent within the affected areas.

The UCP could not find more specific demographic data for the affected subdivisions located in Precinct 4 in Hidalgo County. UCP staff was able to find the following relevant information from the American Community Survey (ACS) 5-Year Estimates 2012-2016 for Hidalgo County. In the county there were a total of 261,496 housing units out of which 227,477 were occupied housing units and 34,019 were vacant housing units. The total occupied housing units by a married couple family was 55.2%, by a female householder (no husband present) was 21.3% and by householder living alone was 15.7%. The household size for 1-person household is 15.7%, for 2-person household is 24.6%, for 3-person household is 17.9% and for 4 or more persons is 41.7%.

The disability status in the county based on the total institutionalized population of 820,004 was 13.4% with a disability and 86.6% no disability. The population of 65 years and over was 84,032 where 50.1% have a disability and 49.9% have no disability.

The population for whom the poverty status was determined in Hidalgo County was 817,554. Based on the ACS estimates in the past 12 months 33.8% were below 100 percent of the poverty level; 15.3% 100 to 149 percent of the poverty level; 51.9% at or above 150 percent of poverty level. The total population in the county was 185,716 and 125,594 were married couple's. The total estimates of population receiving SSI and cash public assistance was 20,377 and 45,909 obtain social security income.

The median income and income limits for Hidalgo County during fiscal year 2015 and 2016 were as follows:

Income Limits FY 2015 Hidalgo County

- Median income: \$37,500
- Very Low (50%) 4 persons in the family: \$26,200
- Extremely Low 4 persons in the family: \$24,250
- Low (80%) Income 4 persons in the family: \$41,900

Income Limits FY 2016 Hidalgo County

- Median income: \$38,800
- Very Low (50%) 4 persons in the family: \$26,200
- Extremely Low 4 persons in the family: \$24,300
- Low (80%) Income 4 persons in the family: \$41,900

As of today, approximately fifty properties have been identified for possible assistance and the UCP plans to begin outreach efforts with those properties first. Once additional staff is hired, outreach that will specifically target the affected subdivisions will continue by subdivision walk-throughs and door-to-door discussions between staff and residents. If unable to make contact with a resident at a target address, a record of those addresses will be kept for a mass mail out of program availability in both English and Spanish. Those properties that are abandoned will be reached by utilizing contact

information obtained through the property eligibility phase.

Applicants applying for disaster assistance are processed by UCP must meet certain eligibility standards to qualify for assistance. Eligibility standards are further discussed in the activity-specific housing guidelines.

The following are the percentage income bracket goals the UCP has set:

	<u>Floors</u>	<u>Ceiling</u>
• 0% - 30% (\$24,600)	36.2%	60.23294509%
• 31% - 50% (\$27,100)	11.3%	18.80199667%
• 51% - 80% (\$43,350)	12.6%	20.96505824%
• Total	60.1%	100%

3. Environmental

All sites must undergo a complete environmental review prior to any commitment of funds. The environmental review should document compliance with 24 CFR Part 58 and all related laws and authorities. Properties with adverse environmental conditions will not be permitted to proceed under housing activities unless the adverse conditions are corrected. No work can start on a site until the environmental evaluation is complete.

4. Proof of Event Damage

For assistance activities, the housing unit must demonstrate that the damage or destruction to unit occurred by the event. Disaster damage can be documented as follows:

- FEMA, SBA or Insurance award letters;
- In the event that the above-referenced documentation is not available, an inspection report/damage assessment (complete with photos of the damage and a written assessment of the damage by each photo take) conducted by a certified or licensed inspector (HQS, TREC, or similar license) must be supplied by the UCP that certifies the damage occurred as a result of the event. Refer to the GLO's Damage Assessment Guidelines; or
- In the event that FEMA, SBA, or Insurance award letters are not available, and an inspection report is inconclusive as to the cause of the damage, the UCP may provide alternative evidence, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations, GLO approval is required.

If an applicant was denied assistance by FEMA, assistance through the CDBG-DR Disaster Recovery Program may still be available. Applicants are not solely ineligible based on a denial by FEMA.

A Damage Assessment must be performed by a certified or licensed/experienced inspector (HQS, TREC, or similar license) to specifically and clearly document event related damage via photographic evidence and detailed narratives in the event that the survivor did not receive FEMA or SBA funds for the repair or replacement of a home. The assessment must include a final cost of repair estimate. Damage to homes will be repaired according to local code and HUD's Housing Quality Standards.

5. Size of Unit

HUD guidelines provide occupancy policies that allow for two persons per bedroom as reasonable. The GLO follows the HUD HOME Program in determining household size.

Exceptions to this standard are based on the following factors:

- No more than two persons are required to occupy a bedroom.
- Persons of different generations (i.e. grandparents, parents, children), persons of the opposite sex (other than spouses/couples), and unrelated adults are not required to share a bedroom. Note: All persons over the age of 18 are considered adults.
- Couples living as spouses (whether or not legally married) must share the same bedroom for issuance size purposes.
- A live-in aide who is not a member of the family is not required to share a bedroom with another member of the household. Note: The need for a full time live-in aide must be documented.
- Individual medical problems (e.g. chronic illness) sometimes require separate bedrooms for household members who would otherwise be required to share a bedroom. Documentation supporting the larger sized unit and related subsidy must be provided and verified as valid.
- In most instances, a bedroom is not provided for a family member who will be absent most of the time. If individual circumstances warrant special consideration, a waiver may be approved.
- To comply with the standard, UCP will follow and document the reason for a requested exception as noted in the issuance size exception section below.

When determining family issuance size, include all children expected to reside in the unit in the next year as members of the household. Examples include, but are not limited to the following:

- **Pregnant women:** Children expected to be born to pregnant women are included as members of the household.
- **Adoption:** Children who are in the process of being adopted are included as members of the household.
- **Foster Children:** Foster children residing in the unit along with families who are certified for foster care and are awaiting placement of children are included as members of the household. If children are anticipated to occupy the unit within a reasonable period of time, they must be considered when determining the issuance size.
- **Joint/Shared Custody Arrangements:** In most instances children in joint/shared custody arrangements should occupy the unit at least 50% of the time. However, if individual circumstances merit special consideration, a waiver may be approved as outlined in the section on Issuance Size Exceptions. The custody arrangement may be verified by the divorce decree/legal documents or by self-certification.
- **Custody of Children in Process:** Children, whose custody is in the process of being obtained by an adult household member, may be included as members of the household. Evidence that there is a reasonable likelihood that the child will be awarded to the adult (i.e. within three months) must be provided in order for such child to be included.

- **Children Temporarily Absent from Household:**

- Children temporarily absent from the home due to placement in foster care may be included as members of the household. Evidence that there is a reasonable likelihood that the child will return to the household (i.e. within three months) must be provided in order for such child to be included.
- Children who are away at school but live with the family during school recesses are included as members of the household.

Issuance size exceptions may be granted by the Hidalgo County Urban County Program (UCP).

- **Chronic Illness:** An individual with an ongoing health problem who requires at least part-time assistance on a regular basis;
- **Pending Child Custody cases:** Includes, but is not limited to, children in foster care who may be returning home, foster children, pending adoptions, etc.;
- **Parental Custody Situations:** Children physically occupy the unit less than 50% of the time as documented by a divorce decree and/or self-certification.

Waivers for other individual circumstances may be granted with pre-approval by the GLO. The family must request a waiver in writing and explain the need and justification.

6. Timeliness of Applicant Status

The UCP staff will ensure timely communication of application status to applicants who have applied for disaster recovery assistance.⁵ Timeliness means multiple methods of communication, such as program website education, weekly follow-up calls or other means that provide applicants for recovery assistance with timely information to determine the status of their application for recovery assistance at all phases. UCP Staff will ensure the accessibility and privacy of individualized information for all applicants; including application status by conducting weekly follow up calls. UCP Staff will also notify all applicants by mail regarding the final approval and/or denial based on applicant's eligibility once is determined.

7. AFFH Review

All projects will undergo an AFFH review by the GLO prior to any commitment of funds. Such review will include assessment of a proposed project's area demography, socio-economic characteristics, housing configuration and need. Additionally, educational, transportation, health care opportunities, environmental hazards or concerns, and all other factors material to the determination are also considered. Applications should show that projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, non- minority areas in response to natural disaster related impacts.

⁵ Federal Register/Vol. 81, No. 117/Friday, June 17, 2016/Notices (2015 Flood event); Federal Register/Vol. 81, No. 224/Monday, November 21, 2016/Notices (2016 Flood event); Federal Register/Vol. 82, No. 247/Wednesday, December 27, 2017/Notices (Hurricane Harvey)

B. Housing Assistance Caps

Unit Costs must be necessary, reasonable, allowable, and allocable. Refer to 2 CFR Part 200 Subpart E.

Project Type	Reconstruction/ New-Construction	Rehabilitation
Base Unit	*Local Composite Bid max \$80,000	*Local Composite Bid \$20,000
Non- Coastal Elevation	\$35,000	\$35,000
Water Well	\$30,000	\$30,000
Septic System	\$25,000	\$25,000
Accessibility	\$20,000	\$20,000
Abatement	\$20,000	\$20,000
**Project Soft Costs	**Actual and max \$10,000	**Actual and max \$7,000

*Local Composite Bid

Composite pricing will be utilized for ~~new construction~~ and reconstruction. This pricing will be developed utilizing the RFP process and average costing and shall be verified as reasonable and customary by utilizing an industry standard independent pricing product. Pricing for rehabilitation shall be developed via an independent damage assessment and work write-up. This becomes the scope of work and will be priced in conjunction with a line-item price list that will be produced out of the original RFP with appropriate reasonable and customary verification.

**Project Soft Costs

Project soft costs are direct costs specifically related to the replacement of an MHU with a stick-built home, rehabilitation ~~or reconstruction, or new construction~~. These costs include site-specific utility disconnect or reconnect fees, permits, elevation certificate work, topographic survey costs, damage assessments/inspections, and code inspections. Additionally, one year of homeowner insurance(s) may be purchased for each unit. If a property was damaged by a flood but was outside of the 100-year flood plain, the U C P may purchase flood insurance to reduce the economic risk from future floods. Builder's risk, general liability, and bonding requirements may also be included as a unit cost. The GLO may grant an exception to increase the unit soft cost for unexpected or unforeseen costs during construction. UCP Staff will be required to use the GLO's 11.17 Work Write-Up/Cost Estimate form.

Additionally, a change order request must be submitted with the necessary support documentation to warrant an exception. All change order requests must follow federal and state procurement requirements to obtain reasonable costs.

C. Affirmative Marketing Outreach Plan

The County's effort towards affirmative marketing utilizes the HOME Division to ensure that eligible households have access and opportunity to participate in its programs and services. When applicable, the County will continue to process fair housing complaints through the Urban County Program structure. Similarly, outreach and educational initiatives continue to be imparted through the Urban County Program within its Homebuyer, Renter Assistance, and Homeowner Assistance programs and services are marketed to residents in low- to moderate-income neighborhoods and those with Limited English Proficiency (LEP). Also, the HOME Division has three full-time equivalent (FTE) employees that are bilingual and offer assistance with clients with limited English proficiency. This continued effort on the County's behalf is done so in recognition of the importance the County places on fair housing issues.

In terms of community outreach to promote fair housing and disseminate information about the County's housing program; UCP staff will incorporate the following activities it already undertakes within its other housing programs:

- Once UCP staff receives Housing Guidelines approval, guidelines will be posted on the UCP website.
- Recipients/vendors are informed of the County's affirmative marketing policy by having it referenced in the agreements.
- The UCP's outreach plan includes advertisements in local newspapers, distribution of fair housing brochures at relevant events, community presentations, and other outreach activities to inform the community.
- The UCP periodically posts flyers and brochures which describe fair housing laws and services, in the city hall offices (throughout the County of Hidalgo) and its county precincts which are open to the public.
- The UCP uses the Equal Housing Opportunity logo on all correspondence and advertising prepared for all its housing programs.
- The UCP prominently displays in all offices in which housing activities takes place using the HUD-approved Fair Housing poster.
- The UCP maintains copies of advertisements, brochures, flyers, and letters to community contacts.
- The UCP maintains information on the race, sex and ethnicity of applicants and tenants to demonstrate the results of the owner's affirmative marketing efforts. In instances of noncompliance by a project owner, a finding will be issued, and corrective action taken will be required by the project owner in the time specified. The project owner will for the period of affordability maintain information demonstrating compliance with the requirements in this marketing plan.
- When applicable, UCP staff will perform house visits for those applicants who have a disability and/or who have no means of transportation.
- UCP will conduct door to door canvassing at targeted subdivisions
- Applications are taken by bilingual staff.
- The UCP constructs/rehabilitates handicap accessible housing for those households that require it.

- In addition, the County's web site continues to play a vital role in targeting information to the public and ensuring program information reaches a broad audience.
- UCP's web site provides contact information to individuals/applicants who feel they have been discriminated against regarding fair housing. UCP staff will record complaint information and file in Fair Housing binder to report to HUD Fair Housing Office.

D. Reporting Requirements

Compliance will be maintained in accordance with the reporting requirements under the GLO's CDBG-DR Program. This includes providing all information and reports as required under the GLO's contract with the Hidalgo County Urban County Program (UCP) demographic data and other information acquired from the applicants, and project documentation from awarded applicants.

1. Section 3

Compliance with Section 3 is required by 24 CFR Part 135 and the executed contract between the UCP and the GLO. Once reconstruction activities commence, UCP will submit monthly Section 3 reports to the GLO and on an annual basis, submit the annual Section 3 report.

2. Applicant Data

UCP will adhere to GLO's requirement to collect and report data relevant to HUD on a monthly basis. The reporting requirements will include, but not be limited, to the following for each program activity requiring a direct application by an individual or non-institutional entity:

- Applicant household's income;
- Household's income as a percentage of area median family income as defined by HUD;
- The race, ethnicity, and gender of the head of household;
- The household's familial status;
- The presence or non-presence of a household member with a disability; and
- The presence or non-presence of a household member that is a Veteran.

3. Records Retention

All official records on programs and individual activities shall be maintained for a three-year period beyond the closing of a grant between the GLO and HUD. UCP will obtain a GLO approved electronic record management system to adhere to this requirement.

E. Procurement Requirements

UCP will procure goods and services using the federal procurement and contract requirements outlined in 2 CFR 200.318 – 200.326. These procurement requirements must be followed for reimbursement from grant allocations of Community Development Block Grant Disaster Recovery funds provided by the U.S. Department of Housing and Urban Development (HUD). UCP will follow state and local procurement law and policies as prescribed by 2 CFR 200.318(a) as well as the additional requirements stated in 2 CFR Part 200.

Additionally, the GLO may review draft solicitations or responses prior to award for compliance. Please note that for residential housing repair, reconstruction, and case management of these projects, a builder assignment method to repair affected homes will be required. UCP will clearly identify during the procurement process any items included in the bid/purchase that are not included in the CDBG-DR contract.

Regardless of the type of procurement used, UCP will execute a contract to document the work to be completed, the agreed price, and contractor or provider's required compliance with all applicable federal, state, and local requirements that UCP must follow. If there is a conflict between federal, state, and local laws and regulations regarding procurement, the more stringent law or regulation will apply.

F. Site and Development Restrictions

Housing that is constructed or rehabilitated with CDBG-DR funds must meet all applicable local codes, rehabilitation standards, ordinances, green standards, and zoning ordinances at the time of project completion.

1. General Standards

All Applications will be required to meet Housing Quality Standards (HQS) detailed under 24 CFR §982.401, Minimum Construction Standards, Fair Housing Accessibility Standards, and Section 504 of the Rehabilitation Act of 1973. Housing activities must also meet all local building codes or standards that may apply. All single family homes should also incorporate resiliency solutions which may include: elevating the first floor of the habitable area; breakaway ground floor walls; reinforced roofs; storm shutters; use of ENERGY STAR appliances and fixtures; and mold and mildew resistant products.

2. Lead-Based Paint

All projects must comply with the lead-based paint requirements of 24 CFR Part 35, Subparts A, B, J, K, and R. See additional information regarding lead-based paint abatement in Sections 4.E.(1), 4.H.(1)(f), and 6.G.(2) of these guidelines.

3. Constructed or Substantial Improvements

International Residential Code 2015 or higher (IRC) (with windstorm provisions) and International Building Code (IBC) must also be met where they apply. All rehabilitation projects must comply with Housing Quality Standards (HQS) and all applicable local codes and ordinances. All rehabilitation **and** reconstruction, ~~and new construction~~ should be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters.

4. Standards for rehabilitation of non-substantial damaged residential

UCP will follow the HUD CPD Green Building Retrofit Checklist available at www.hudexchange.info/resource/3684/guidance-on-the-cpd-green-building-checklist/. UCP will apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall. When older or obsolete products are replaced as part of the rehabilitation work, rehabilitation is required to use ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)- designated products and appliances.

5. Minimum Property Standards (MPS) Housing Quality Standards (HQS) CDBG-DR assisted housing that is construction or rehabilitation (e.g. acquisition) must meet all applicable State and local housing quality standards and code requirements, and if there are no such standards or code requirements, the housing must meet HUD's Housing Quality Standards in 24 CFR §982.401.

6. Green Building⁷

New Housing Construction will include compliance with ENERGY STAR (Certified Homes) Green Standards.

A certificate of compliance issued as part of the chosen standard's compliance process will be required to be submitted as proof of compliance. Homes in high wind and hurricane areas must also be built in compliance with FORTIFIED Home© standards or any other equivalent comprehensive resilient or disaster resistant building program. These standards also apply to rehabilitation projects that fall within the HUD definition of substantial rehabilitation. Additionally, the implementation of green building standards will apply for construction projects completed, underway, or under contract prior to the date that assistance is approved for the project.

7. Accessibility

Single Family Housing Units must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and the GLO's Visitability Standards.

8. Elevation Standards for ~~new construction~~ repair of substantial damage, or substantial improvement (reconstruction).

The GLO will apply the following elevation standards to ~~new construction~~, repair of substantial damage or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1). All structures, as defined under 44 CFR 59.1, designed principally for residential use and located in the 100-year (or 1 percent annual chance) floodplain that receive assistance for ~~new construction~~, repair of substantial damage or substantial improvement, as defined under 24 CFR 55.2(b) (10), must be elevated with the lowest floor, at least 2 feet above the annual floodplain elevation.

9. Resilient Home Construction Standards

Subrecipients are encouraged to incorporate a Resilient Home Construction Standards for substantially damaged residential buildings ~~or new construction~~ that incorporate a Resilient Home Construction Standard recognized such as those set by the FORTIFIED Home™ Gold Level for ~~new construction~~ or single family, detached homes; and FORTIFIED Home™ Bronze level for repair or reconstruction of the roof; or any other equivalent comprehensive resilient or disaster resistant building program. Resilient standards when incorporated will increase a home's resilience to natural hazards, including high wind, hail, and tropical storms

⁷ Federal Register/Vol. 81, No. 117/Friday, June 17, 2016/Notices (2015 Flood event); Federal Register/Vol. 81, No. 224/Monday, November 21, 2016/Notices (2016 Flood event); Federal Register/Vol. 83, No. 28/Friday, February 9, 2018/Notices (Hurricane Harvey)

G. Conflict of Interest

The conflict of interest regulations contained in the contract between UCP and the GLO prohibit local elected officials, Hidalgo County Urban County Program (UCP) employees, and consultants who exercise functions with respect to CDBG-DR Disaster Recovery activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

For purposes of this section, “family” is defined to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG-DR conflict of interest regulations at 24 CFR Sec. 570.489(h).

The GLO is able to consider granting an exception to the conflict of interest provision should it be determined by the GLO that UCP has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program. UCP should not enter into a conflict of interest until justification has been received and approved by the GLO in accordance with applicable procurement laws.

H. Complaint/Appeal Process

1. General Policy

Hidalgo County Urban County Program (UCP) is responsible for responding to complaints and appeals in a timely and professional manner. UCP will keep a record of each complaint or appeal that it receives to include all communications and their resolutions.

When a complaint or appeal is received, a representative will respond to the complainant or appellant within three (3) business days where practicable. For expediency, UCP shall utilize telephone communication as the primary method of contact; however, email and postmarked letters will be used as necessary.

2. Responsibilities

UCP will identify customer service specialists within their program tasked with handling all homeowner inquiries.

The customer service specialists are responsible for (1) determining whether or not complaints and appeals relate to the business or authority of UCP, (2) ensuring that a response to all complaints and appeals are within the appropriate time frame (a response must be provided within 15 working days of the receipt of the complaint), and (3) ushering all complaints and appeals through to a resolution

3. Process

The following citizen complaint procedures to provide a timely written response to address complaints and grievances made against the Urban County Program efforts:

- A. A person who has a comment or complaint about the services funded or to be funded by the Urban County Program may submit such comment or complaint in writing to the Director of the Urban County Program.
- B. The Director will conduct an investigation and determine an appropriate response within five working days of receiving the comments or complaints and provide a written response. If, for any reason, the response cannot be provided within ten working days of receiving the comment or complaint; the person will be notified, in writing, why the response cannot be provided within ten working days of receiving the comment or complaint and when a response can be expected.
- C. The Director will notify the person, in writing, of the final results of any investigation. Unless unusual circumstances interfere, all investigative action and reports documenting the findings should be accomplished prior to the 30th working day after the comment or complaint was originally received. If the final response is delayed, the person will be advised in writing, of the new date for final resolution of the comment or complaint.
- D. If the person who has a comment or complaint is not satisfied with the Director's response the person may notify the County Judge of Hidalgo County in writing specifying the reason for the person's dissatisfaction with the Director's response.

4. Appeals

Applicants have the right to appeal at any stage in the selection process. All appeals must be filed with the UCP HOME Division Manager. If the appeal is not resolved by the HOME Division Manager, the appeal will be forwarded to the UCP Director for consideration. Appeals not resolved at this stage may be forwarded to the Hidalgo County Commissioner's Court for final consideration at the applicants' request. All such requests must be submitted in writing to the UCP Director. All appeals must be made within ten (10) days from the date the selection decision was rendered or from the date the decision became known to the applicant.

5. Documentation

Documentation for each complaint or appeal must be maintained. Each file must include the following:

- Contact information for the complainant;
- Initial complaint;
- Address and GLO assigned project number (if applicable);
- Any communications to and from complainant or appellant;
- Results of the investigation, together with any notes, letters, or other investigative documentation;
- The date the complaint or appeal was closed; and any other action taken.

I. Audit Requirements

In accordance with 2 CFR § 200.501, Audit Requirements, UCP will have a single or program specific audit conducted in accordance with the applicable federal requirements. UCP will ensure that any subsequent entities receiving pass-through funds which also meet the definition of a subrecipient receive audits as detailed above.

J. Changes, waivers, and/or conflicts

UCP has the right to change, modify, waive, or revoke all or any part of these guidelines, with the prior written approval of the GLO.

Waivers to the requirements in these Guidelines can only be approved by the GLO and must be provided in writing. The GLO will provide the option for a waiver, only after the posting of the waiver request on UCP's website for a public comment period of at least seven (7) days. The waiver request must demonstrate why the housing guidelines are not practicable for UCP.

In the event that these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state, or federal law.

4. Single Family Housing

A. Survivor Case Management

Applicants are likely to need support throughout the process. Applicants may have suffered significant losses and emotional hardships. Undertaking the process to claim insurance is often burdensome and confusing. The simple mechanics of applying to the program may be complicated by the loss of documents or temporary residence outside the area. UCP staff will work to cultivate partnerships with local and community liaisons such as banks, counseling agencies, legal services, title companies, etc.

UCP staff will be the single point of contact for each survivor to ensure that survivors have the immediate contact information and needs to be successful in their long-term recovery efforts. As survivor applications are being accepted and reviewed for determinations of eligibility to participate in the Program, each survivor will be counseled and made aware of their application status.⁸

UCP staff will conduct weekly follow up calls after application is taken until eligibility is determined. UCP staff will mail approval and denial letters to applicants once their eligibility status has been determined.

The UCP will also utilize HUD approved housing counseling services available at the Federal Register website:

<https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=TX>

Application Intake and Counseling

UCP Staff has a mechanism incorporated into Program Design to prevent any pre-screening of applicants without a written application being taken. Anyone who makes an inquiry about the program will be provided a GLO application package to complete. Applications for Assistance under any of the Housing Programs will be processed and reviewed by the Urban County and will be chosen for eligibility review from an application intake list maintained by the UCP and will be served on a "first-come, first-served" basis. Interested individuals will be mailed a letter, followed by a phone call, requesting they schedule an appointment for application intake. *This will occur until UCP has enough applications to fulfill its GLO contractual obligations.* Applicants will have two (2) weeks to provide their supporting documentation. If supporting documentation is not obtained within the prescribed timeframe, without a justifiable explanation, they will be placed at the end of the list. If for any reason the applicant denies or refuses services at the point services are formally offered, their application shall become null and maintained in a separate filing system. Should the applicant reconsider their decision and again request services, a new application must be made and the applicant will be placed at the end of the waiting list.

⁸ Federal Register/Vol. 81, No. 117/Friday, June 17, 2016/Notices (2015 Flood event); Federal Register/Vol. 81, No. 224/Monday, November 21, 2016/Notices (2016 Flood event); Federal Register/Vol. 82, No. 247/Wednesday, December 27, 2017/Notices (Hurricane Harvey)

All documentation submitted by the applicant must include a signed statement, verifying that the information provided is true, complete and accurate. Any false, fictitious, or fraudulent information, or the omission of any material, may subject the applicant to criminal, civil or administrative penalties. Program documents must capture the following statement:

“Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.”

Case Managers and/or Counselors or Interpreters will be able to communicate with the applicant in their primary language and will be assigned to the clients as appropriate. Additionally, they will ensure effective communications with persons with disabilities pursuant to 24 CFR 8.6 and other fair housing and civil rights requirements (such as the effective communication requirements under the Americans with Disabilities Act). Counselors will be trained to be well versed in all housing recovery activity requirements.

B. Assisted Homeowner Eligibility Requirements

The following are threshold requirements, which must be met for an applicant to be eligible for assistance. Eligibility does not assure assistance, since a prioritization strategy within LMI economic subgroups will be required (consistent with Program Design requirements) and it is expected that there will be more eligible applicants than can be served with available funds.

1. Eligibility

The income limits to be utilized for the CDBG-DR Single Family Homeowner Program are the current income limits established yearly by HUD for the Section 8 Housing Program. UCP will use the most recent income limits and will be monitored for compliance. All beneficiaries of the Single-Family Homeowner Program must meet a National Objective. Only applicants with an unmet need related to the CDBG-DR funded event will be eligible. Only those funds used to serve households with up to 80 percent of the area median income may qualify as meeting the low-and moderate-income person benefit national objective.

2. Proof of Ownership

The applicant must be an individual who owned the property at the time of the event to be repaired, rebuilt, or replaced due to damage from the event. Ownership can be documented as follows:

- a.** Provide a copy of a valid deed of trust or warranty deed that is recorded in the county records which cites the applicant’s name. For MHUs, a Statement of Ownership and Location (SOL) must be provided. **In cases SOLs cannot be provided, UCP will accept the method described in this section (b)(1).**
 - Liens on MHU properties – If an applicant owns a mobile home and there is a lien on the property, UCP will work to ensure that the lien is transferred properly (if one is in place with the mortgage company). The MHU needs to be “perfected” and made a real property showing that is fixed to the lot. The wheels and axel need to be removed, and a statement of location needs to be in place from TDHCA.⁹ Once this is done, the lender can transfer the lien from the mobile home to the new property.
- b.** For the purposes of federally funded disaster recovery programs, ownership may be proven in the following manner:

1. Applicants may prove ownership by providing alternative documentation and completing a notarized affidavit that certifies one of the following circumstances applies:
 - a) There is nobody else who has the right to claim ownership;
 - b) Anyone who has a right to claim ownership has agreed to participate in the program; or
 - c) Anyone who has a right to claim ownership could not be located (after reasonable attempts to contact).
2. The alternative documentation that can be provided instead of a copy of the deed includes (in order of preference):
 - a) Tax receipts;
 - b) Home insurance;
 - c) Utility bills (must be in the applicant and/or co-applicants name); or
 - d) Other documentation deemed to be acceptable by the GLO.
3. The documentation must show that the applicant was the person responsible for paying for these items at the time of the disaster. The required affidavit, form, and instructions may be found on the GLO's <http://recovery.texas.gov/> website.
4. The above-referenced alternatives are not optional, must be incorporated into Program Design, and allowed to prove ownership for all CDBG-DR Programs in the State of Texas.

3. Principal Residency

The unit to be rehabilitated, reconstructed, or replaced must have been the applicant's principal residence during the time of the event. Principal residency for applicants can be demonstrated through property tax homestead exemptions. If a homestead exemption was not in place at the time of the disaster, an Affidavit of Principal Residency may be utilized as an alternative method of verification of principal residency. The affidavit must be supported by documentation such as asset verification (income tax returns, credit check, etc.) or utility bills specific to the property address and name of the applicant, which were active as of the date of the event. Vacation homes and rental properties are not eligible for assistance under the Single Family Homeowner Program. The Affidavit of Principal Residency Form may be found on the GLO's <http://recovery.texas.gov/> website.

4. Property Taxes

Applicant must furnish evidence that property taxes are current, have an approved payment plan, or qualify for an exemption under current laws. Applicant must prove that property taxes have been paid or that one of the following alternatives have been met:

- The property owner qualified for and received a tax deferral as allowed under Section 33.06 of the Texas Property Tax Code;
- The applicant entered into a payment plan with the applicable taxing authority.
- Support documentation verifying the tax deferral or tax exemption must be provided by the applicant. Any applicant that enters into a payment plan must supply a signed copy of the

payment plan from the applicable taxing entity along with documentation that they are current on their payment plan.

5. Duplication of Benefit (DOB) Review

Each applicant will be reviewed to determine if previous funding was appropriately used on the home. The applicant must have an unmet need to move forward in the program. UCP will determine the applicant's unmet needs first prior to calculating the applicant's DOB. Applicants must provide insurance, FEMA, SBA, and any other type of funding documentation for funds that were received. Additionally, UCP will verify that the submitted data is accurate to the best of their abilities (e.g. validate against FEMA data).

Using the GLO's DOB Calculation Form, if the prior assistance received exceeds the documented repairs, this calculated amount becomes the DOB amount. To reconcile the DOB amount owed, the applicant can provide the DOB amount, or the applicant may be offered a reduction in the scope on the repair or replacement of their home's nonessential components (e.g. laminate for tile floors, etc.). UCP will use the approved DOB forms when determining an applicant's final DOB. The DOB Calculation Form may be found on the GLO's <http://recovery.texas.gov/> website.

UCP will develop procedures to prevent any duplication of benefits when determining an applicant's unmet need. The policies and procedures must include recapture instructions, (e.g. applicant is currently appealing or suing its insurance company recapture of future funds will need to be completed by UCP); monitoring procedures to include priorities and frequency to comply with an executed Subrogation Agreement.

UCP will require all applicants to sign a DOB Certification Form (subrogation agreement) at the time of application, agreeing to disclose, and to repay any additional funds received as compensation for damages from the declared disaster for which assistance has been provided. When applicable, applicants will sign a Consent to Release form permitting the sub-grantees, sub-recipients and contractors to request information regarding assistance received from various agencies. Also, when necessary, UCP will establish data sharing agreements with federal, state, and **Other entities**, to ensure ongoing exchange to access data files, which include previous benefits paid for real property repairs from FEMA, SBA, National Flood Insurance Program (NFIP), and private insurance, private or non-profit that will be available to sub-recipients and contractors. In addition, UCP will utilize a third-party verification process by sending a Consent to Release Form signed by the applicant to all agencies identified by an applicant as well as all known financial assistance resource to determine whether repair resources were received, this includes federal, state, and local, non-profit agencies and other organizations. In addition, each sub-recipient must identify the local funding that was available in the declared communities to ensure that all resources available to disaster. Further, in the case of third-party verification and in the absence of a non-response from agencies after three requests, the case manager will use information obtained from the applicant and through their own research efforts to acquire the needed data. Lastly, UCP will ask all applicants if they ever received federal assistance if the property is in the floodplain. A third-party verification must be conducted on all properties located in a floodplain. NFIP, local register of deeds offices and other resources should be researched to determine whether the property ever received federal disaster assistance. If the home received previous federal assistance and did not maintain flood insurance the property is not eligible for DBG-DR assistance .

6. Child Support¹⁰

All applicants and co-applicants must be current on payments for child support. If the applicant or co-applicant is not current on child support, that member will be required to enter into a payment plan which will be obtained from the Office of Attorney General (OAG). A copy of the payment plan signed by all applicable parties along with documentation demonstrating they are current on their payment plan must be supplied.

7. Damage Assessment

All applicants' home must be assessed to verify that it was damaged from the event. A damage assessment report along with pictures will be required for each applicant. Please refer to the GLO's Damage Assessment Guidelines.

8. Environmental Review

An environmental review must be performed on the property prior to federal funds being committed by UCP (24 CFR Parts 50, 58, 574, 582, 583, and 970). No commitment or disbursement of funds will occur prior to the completion of this review. The environmental review should document compliance with 24 CFR Part 58 and all related laws, authorities and executive orders. The CDBG-DR Program will not reconstruct or rehabilitate homes that have been determined to be in the floodway.

9. Flood Insurance Verification/Requirements

Flood Disaster Protection Act of 1973 as amended and Sec. 582(a) of the National Flood Insurance Reform Act of 1994 – compliance with the legal requirements of Section 582(a) mandates that HUD flood disaster assistance that is made available in an Special Flood Hazard Areas (SFHAs) may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for flood damage to any personal, residential or commercial property if: (1) the person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and (2) that person failed to obtain and maintain flood insurance as required under applicable Federal law on such property.

K. Property Eligibility Requirements

The following threshold requirements are applicable to the assisted unit and must be met for the applicant to receive assistance:

- Unit Characteristics – Only single family owner-occupied units within UCP's jurisdiction will be eligible for Single Family Homeowner Programs.
- Manufactured Housing Units (MHUs or mobile homes) are eligible for rehabilitation at the discretion of UCP: however, the MHU to be rehabilitated must be no more than 5 years old at the time of assistance and no more than \$10,000 in hard and soft construction costs can be used to rehabilitate a MHU. The MHU must meet HQS upon completion. MHU rehabilitation costs that exceed \$10,000 will require reconstruction. Reconstruction of MHUs will consist of replacing the MHU with a stick-built home that will meet the current needs of the family or individual.

If there are additional eligible projects, they will be listed under the specific housing project activity section (Section G).

¹⁰ Family Code, Title 5, Section 231.006

L. Improvements

1. Types of Improvements

- Improvements needed to meet HUD Section 8 Existing Housing Quality Standards and Cost-Effective Energy Measures are eligible improvements.
- Improvements must be physically attached to the house and be permanent in nature (e.g., sheds or garages located separately from the house are ineligible). Eligibility of attached structures such as carports or utility rooms is based upon available funds and agreement by GLO in cases where safety or the structural integrity of the house is involved.
- Improvements will include, as necessary, lead-based paint abatement, asbestos abatement, handicapped accessibility for special needs, energy efficiency, or ventilation items such as ceiling fans, window screens, screen doors, and window blinds.
- Ranges, refrigerators, and other necessary appliances are eligible items; however, they will only be considered eligible when they are not present, or the repair would not be cost effective. They will be dealt with on a case-by-case basis.
- Documentation to support non-traditional housing costs, because they are required by local codes or homeowner associations, must be submitted to the GLO for approval.
- Required permits, if any, will be obtained by the contractor at his/her expense and will be included as part of the bid costs.
- Assistance will not be used for luxury items, including but not limited to, garage door openers, security systems, swimming pools, fences, and television satellite dishes.
- Garages, fences, and brick or masonry are not generally eligible unless required by jurisdictional code set forth by the city, county, and/or a homeowner's association.

2. Supplemental Improvements

- All debris, abandoned vehicles, and buildings that pose a safety and/or health threat, as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property prior to the start of construction. The applicant will remove derelict personal property.
- All electrical components must be inspected including service, meter, wiring, and fixtures, even if no electrical work is being specified. Unsafe components must be replaced. All exposed wiring, switches, and light bulbs in living areas must be encased.
- All homes must be equipped with a smoke detector installed in conformance with the one and two-family dwelling code.
- Rehabilitated homes inhabited by handicapped or elderly persons must be analyzed as to the special physical needs of such persons. Improvements, such as widened doorways, ramps, level entry and doorways, and grab bars in bath areas, must be installed, if appropriate.
- If a home is to be reconstructed or a replacement home provided, the original home must be removed from the site.

M. Inspection Requirements

Each project will require an inspection(s) during the lifecycle of the project. The required inspections are dependent on the activity type (e.g. Reconstruction, Rehabilitation, etc.), which are outlined below. Further details regarding the inspections are included under the specific activity types in title G. Housing Project Activity Types of this guidance. The program will only pay for one inspection per activity per phase outlined below. Any additional inspection costs will be the responsibility of the contractor building the home.

Single Family Housing Inspection Requirements					
Application Type	50%	Final Inspection	Demolition Confirmation	TREC	Monitoring Inspections
Reconstruction	Yes	Yes	Yes	Yes	%
Rehabilitation	Yes	Yes		Yes	%

N. Project Closeout/Affordability Monitoring Requirements

To ensure compliance with the requirements of the Unsecured Forgivable Promissory Note (Form 13.09) executed with the homeowner, UCP will perform at a minimum an annual check to confirm all promissory note commitments are in place through the term of the Note. Insurance notice of default should be documented and followed up on as they are received by UCP staff.

O. Housing Project Activity Types

1. Rehabilitation and Reconstruction or New Construction

a. Overview

Benefit for low to moderate income (LMI) applicants is the principal National Objective approved for the Disaster Recovery Single Family Homeowner Program. Homeownership assistance will only be provided for households earning up to 80 percent of the area median income and therefore will qualify as meeting the low and moderate-income person benefit national objective. It is important to note, that to carry out this objective, the statute requires that not less than 70 percent of the aggregate of CDBG program funds be used to support activities benefitting low and moderate-income persons.

Eligible activities, which are defined in the definitions section of the guidelines, are as follows: rehabilitation, reconstruction, ~~new construction~~, and associated elevation and demolition charges. The primary focus of this program is to provide relief for those people impacted with consideration given to affirmatively further fair housing, as called for within the Fair Housing Act.

UCPs Program Implementation begins with determining the survivor's unmet needs for the rehabilitation **or** reconstruction, ~~or new construction~~ of survivor's home. UCP approved Needs Assessment and Outreach Plan described in the guidelines will guide UCP on how they are to offer housing activities to meet the types of housing needs experienced by the affected population and the demographics to receive concentrated attention.

Rehabilitation or Reconstruction assistance may be offered to survivors. Based on the extent of damage, survivors may be eligible for rehabilitation or reconstruction of their homes.

At final closeout (this can be at final inspection) the builder will submit a Building Contractor's Request for Payment, Form 11.03. The 11.03 Form is signed by the builder, homeowner, inspector, and UCP Representative. ~~When a project is located within the city limits, a certificate of occupancy will be procured and filed within the project file.~~ **For all GLO Housing Projects, UCP will hire** ~~When a project is located in the countywide area, a TREC inspector and~~ **require** ~~for a~~ the UCP inspector **to will** conduct the 100% inspections with the supporting documentation placed in the project file.

b. Housing Standardization

For new and reconstructed homes, construction specifications (for 2, 3, and 4-bedroom homes with

total square footage ranges) have been developed by UCP. Each home must be constructed in accordance with local code. UCP may engage an architect to allow for local architectural variations; however, basic square footage (within ranges see Size of Units below), room requirements, building materials, and general specifications must remain standardized for any home newly constructed or reconstructed with CDBG-DR funding. Elevation options have been developed by UCP. The standardized specifications will then be put out for bid locally. House plans become property of UCP to use for possible future federal funding. Plan cost should only occur once and may be used throughout the implementation of the housing recovery program.

c. *Visitability Checklist*

Visitability Checklists are required for single family homes for the first floor only, even if multiple floors exist:

- At least one 36" entrance door (preferably the main entrance) is on an accessible route served by a ramp or no-step entrance.
- Each interior door is at least a standard 32" door unless the door provides access only to a closet of less than 15 square feet.
- Each hallway has a width of at least 36" and is level with ramped or beveled changes at each door threshold.
- Each bathroom wall is reinforced for potential installation of grab bars.
- Each electrical panel, light switch, or thermostat is not higher than 48" above the floor.
- Each electrical plug or other receptacle is at least 15" above the floor.
- If the applicable building codes do not prescribe another location for the breaker boxes, each breaker box is located not higher than 48" above the floor inside the building.

d. *Size of Units*

Guidance for the preferred amount of people per bedroom is discussed in the Program Design section of these guidelines. The GLO determined total square footage ranges are as follows:

- 2 bedroom/1-2 bath home: 1,000 – 1,330 SF
- 3 bedroom/1-2 bath home: 1,331 – 1,425 SF
- 4 bedroom/2 bath homes: 1,426 – 1,500 SF

e. ~~Reconstruction~~ *Rehabilitation Caps*

~~Reconstruction~~ *Rehabilitation* of existing homes damaged by the event is capped at ~~\$20,000~~ *\$80,000*. Additional expenses, such as elevation, are allowed as limited by the Housing Assistance Caps as described in the Program Design section of these guidelines. Estimated rehabilitation costs exceeding this cap will be recommended for reconstruction. An estimated cost of repair (ECR) using RS Means or similar will determine if the unit is to be rehabilitated or reconstructed.

UCP Staff must identify homes that are subject to historic preservation reviews under Section 106 of the National Historic Preservation Act of 1966 (54 U.S.C. Section 306108).

f. *Construction*

1. If the unit to be assisted was built prior to 1978 and the type of assistance offered will be

rehabilitation, the assisted unit will be tested for the presence of lead-based paint and asbestos containing materials. If present, the removal and abatement of lead-based paint and asbestos containing materials will be considered in the costs of rehabilitation under the Abatement cap as described in the Program Design section of these guidelines. Lead based paint and asbestos containing material inspections provide two benefits:

- a. (1) the costs of abatement are considerable and must be factored into the cost estimates for rehabilitation; and
 - b. (2) the health risks to residents, particularly children in the case of lead-based paint, may be severe so any presence of lead-based paint in an assisted unit, even one that is to be reconstructed, must be reported so that the residents may seek appropriate medical attention.
2. A pre-construction conference between the assisted homeowner, contractor, and UCP will be conducted to ensure all parties are in agreement about the work to be completed. The pre-construction conference will consist of two parts:
- a. Part 1 – Basic contract and procedural issues to include begin and end dates of the contract, terms of the contract, and procedures, inspection procedures and requirements, responsibilities of the contractor and the assisted homeowner, change order procedures, payment requests and procedures (escrow account), lead-based paint requirements, role of UCP, complaint and conflict resolution procedures, and other programmatic procedures.
 - b. Part 2 – A walk-through of the house for rehabilitation assistance. All parties should understand how the work will proceed. Instructions will be given regarding clean up by the homeowner prior to the work and the contractor after the work.
3. Housing that is constructed or rehabilitated with CDBG-DR funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. International Residential Code 2015 or higher (IRC) (with windstorm provisions) and International Building Code (IBC) must also be met where they apply. All rehabilitation projects must comply with Housing Quality Standards (HQS) and all applicable local codes and ordinances. Additional codes and standard requirements are detailed in the Program Design section of these guidelines.

g. Construction Agreement

The construction agreement for stick-built homes will be a two-party agreement between the Rehabilitation/Reconstruction Contractor, and the assisted homeowner.

h. Property Inspection and Final Payment

Preliminary Inspections

A preliminary inspection will be conducted by UCP to determine the condition of the unit for each application and to verify damage by the event if FEMA, Small Business Administration (SBA), or Insurance award letters are not available. The initial inspection will be conducted by UCP inspector or another qualified inspector, and a list of the deficiencies will be prepared. The inspection will provide an estimate of repair costs to determine whether rehabilitation or reconstruction will be offered and must be in sufficient detail to be utilized in the creation of work write-ups. This process documents the unmet needs for the applicant with respect to

rehabilitation or reconstruction of their damaged home.

Progress Inspections

- a. Progress inspections performed by UCP (50% and Final) serve three primary purposes: 1) to evaluate the contractor's progress; 2) to confirm that local building codes or standards have been satisfactorily met; and 3) to confirm that all requirements of the contract have been met to all parties' satisfaction.
- b. At key stages in the project, UCP will schedule inspections. Key stages are times when work such as wiring and plumbing are completed and still exposed prior to the wall or flooring being replaced; or when work being performed by a specialty subcontractor, who will be present for only a short time, is nearing completion.
- c. Inspections to approve progress payments will be made at a time requested by the contractor. These inspections will be made promptly upon request so as not to delay the processing of the contractor's payments. If at all possible, the same person will conduct inspections each time.
- d. UCP requires that electrical work be completed by an electrician with an approved license from the state.
- e. A master licensed plumber must perform all plumbing work.
- f. Building permits are required for all applicable construction work.

Final Inspections

- g. As in all construction projects, a punch list will be developed toward the end of the job. A punch list is a listing of items written as specifications, which constitute the work necessary to complete the contract. The contractor and UCP can develop the punch list as a result of the final inspection, or the contractor and the assisted homeowner can create the list prior to the final inspection. The punch list will represent work documented on the work write up that was not completed. The list will not add work that had not already been identified. Once the punch list has been prepared, no other work items are expected of the contractor. If the punch list contains more than ten (10) items, the contractor is not ready for a final inspection.
- h. When work is nearing completion, including any punch list times, the contractor will notify UCP and the GLO of a specific date when the job will be ready for a final inspection. The purpose of the final inspection is to guarantee that all work called for in the contract has been completed according to specification. If progress inspections were conducted often enough to make mid-course corrections, the final inspection should only need to catch those items which have been done since the last inspection. The final inspection will be as thorough and deliberate as the initial inspection; this inspection will be done by a TREC inspector. Finished carpentry, painting, backfilling, electrical fixtures, all single-family homeowner activities, and clean-up should be closely checked for completion. UCP and the homeowner will sign off on the final inspection report.
- i. UCP will make sure that the assisted homeowner has received all warranties and instruction booklets for installed equipment.

Certificate of Completion and Owner Acceptance

After all items on the punch list have been satisfactorily completed, home has passed the final inspection, and all warranties issued, the project can be brought to final resolution. For purposes of accountability, the Single Family Homeowner Program must have written documentation that the assisted homeowner and UCP have accepted the work (the Final Inspection requires signatures from the homeowner and UCP). ~~When a project is located within the city limits, a certificate of occupancy will be procured and filed within the project file.~~ **For all GLO Housing Projects, UCP will hire** ~~When a project is located in the countywide area,~~ a TREC inspector and **require** ~~for a~~ the UCP inspector **to** ~~will~~ conduct the 100% inspections with the supporting documentation placed in the project file.

Warranties and Retainage

- j. When final inspection determines that the work is completed in accordance with the contract, UCP will submit the contractor's request for payment and upon receipt of the funds, disburse the funds to the contractor. UCP shall retain 10% of the funds pending a supplemental inspection in no less than thirty (30) days. Following a satisfactory supplemental inspection, the retainage will be paid to the contractor following the final thirty (30) day requirement.
- k. If any problems are identified in this supplemental inspection, UCP will then notify the contractor to come back and correct the problems within a reasonable amount of time, not to exceed two weeks. Should the contractor fail to do so, UCP will not disburse the retainage, the assisted homeowner may take any necessary legal recourse, and the contractor will be barred from performing any more rehabilitation/reconstruction work in UCP. In addition, should the contractor be doing other work under this Single Family Homeowner Program and fail to correct any warranty problems, no other payments will be made to him/her until such problems are corrected. This will affect a builder's assignment method and these actions should be recorded.
- l. All work performed by the contractor will be guaranteed for a period of one (1) year. Such warranty will be stipulated in the construction contract between the contractor and the homeowner. For a period of one (1) year, the assisted homeowner may require the contractor to correct defects or problems arising from his/her work under this contract. Should the contractor fail to do so, the assisted homeowner may take any necessary legal recourse as prescribed in the rehabilitation ~~or new construction~~ contract. A reasonable amount of time will be given to correct the problem; however, in no case will such time exceed two (2) weeks to respond. Warranty notices must be issued in advance of expiration (e.g. six (6) months and one (1) month prior to expiration date of the warranty).

P. Program Requirements

Unsecured Forgivable Promissory Note

- Single Family Homeowner assistance shall be provided in the form of an Unsecured Forgivable Promissory Note (Note). The Note (Form 13.09) may be found on the GLO's www.texasrebuilds.org website.
- The Hidalgo County Urban County Program (UCP) will be required to execute the Note with assisted homeowners for all homeowner activities under the CDBG-DR Program. The GLO will not be a party in the Note's execution. The Note will not be recorded in the County Courthouse records for Affordability Monitoring by the UCP. The Note will require the homeowner to comply with the following items:
 1. Assisted homeowners are required to maintain principal residency and ownership in the assisted property for three (3) years. Cash out refinancing, home equity loans, or any loans utilizing the assisted residence as collateral are not allowed for three years. A violation of this policy will activate the repayment terms of the Note.
 2. Taxes are to be paid and in good standing for the properties assisted. Homeowners may be on a payment plan, but it needs to be submitted to the UCP.
 3. Insurance must be maintained at the assisted property. Hazard, flood (if applicable), and windstorm (if applicable) will be monitored for the three-year period.
 4. Transfer notice of requirement to obtain and maintain flood insurance for property. Failure to do so the homeowner may be liable. Evidence of this requirement must be maintained in disclosure documents by the homeowner.

The UCP will monitor assisted households for compliance with the terms of the Note. Homeowners who default on the terms of the Note will repay any funds remaining on the note and may be reported to the Texas Office of the Attorney General.

- If the assisted homeowner continues to occupy the home until the term of the note expires, the loan is forgiven, and conditions are clear on the disposition of the property. If the property is sold, transferred, or vacated by the assisted homeowner for any single period that exceeds thirty (30) days during the three-year forgivable loan period, the repayment terms of the Note will be enforced, except in those cases addressed below:

1. Migrant farm workers who are recipients of a home under this program, may, when proven to be performing work for not more than six months, leave a home vacant during the time of their employment; however, the recipient may not rent out the home, and they must intend to return to the home. If the assisted homeowner for any reason ceases to reside in the assisted unit during the UCP CDBG-DR contract period, only LMI persons may reoccupy the unit until the contract is administratively closed by the GLO or the CDBG-DR contract period expires, whichever is earlier.
2. Accelerated Forgiveness in Certain Cases – In the event of (1) the death, (2) relocation to a managed care facility, or (3) relocation resulting from documented mental or physical incapacitation of the sole remaining assisted homeowner identified in the original application, the UCP may forgive any remaining loan balance. However, the requirement that only LMI persons may occupy the assisted housing unit until the CDBG-DR contract is closed by the GLO or the contract period expires shall not be waived by the UCP. Any waiver of this policy must be given by the GLO.

Q. Files and Reports

The Hidalgo County Urban County Program will maintain accurate Single-Family Homeowner Program files and records for general administration activities, for each applicant, and for each assisted homeowner as required by the GLO. Such files will be open for inspection as to qualifications, bids, and awards. Record keeping procedures must be developed for monitoring/audit by the GLO and HUD.