HOMEOWNER ASSISTANCE PROGRAM GUIDELINES

For 2016 Community Development Block Grant – Disaster Recovery (CDBG-DR)
Draft HCCSD 2016 HAP Policy September 2018 – Versions 1.1 – 1.7
GLO Conditionally Approved HAP 2016 Policy August 2019 – Version 1.8
Updated HCCSD 2016 HAP Policy January 2020 – Version 2.0
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<td><strong>6.1</strong></td>
<td>ADDED: 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.</td>
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<td><strong>6.5</strong></td>
<td>Added Table showing inspection requirements (50%, Final, Demolition and TREC/MPS)</td>
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<td><strong>6.7.1</strong></td>
<td>ADDED: 6.6.1. Unsecured Forgivable Promissory Note The Homeowner must comply with the terms of the note as follows: 1. Rehabilitation assisted homeowners are required to maintain ownership of the assisted property for a minimum affordability period of at least 5 years. 2. Cash out refinancing, home equity loans, or any loans utilizing the assisted residence as collateral are not allowed for the 5-year period. A violation of this policy will activate the repayment terms of the Note. 3. Assisted homeowners are required to maintain principal residency in the assisted property for the required 5 years. A violation of this policy will activate the repayment terms of the Note. 4. 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 subrecipient. 5. Insurance must be maintained at the assisted property. Hazard, flood (if applicable), and windstorm (if applicable) will be monitored for the 5-year period. 6. Transfer notice of requirement to obtain and maintain flood insurance for property. Failure to do so shall deem the homeowner liable to reimburse the state for the relief assistance applied to the property. Evidence of this requirement must be maintained in disclosure documents by the homeowner.</td>
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<td><strong>7.2</strong></td>
<td>ADDED: In cases where the participant secured funding for additional work to be completed, a cashier’s check must be provided to the contractor. (Removed in Version 1.5)</td>
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<td><strong>7.2</strong></td>
<td>ADDED: All work performed by the contractor will be guaranteed for a period of 1 year. Such warranty will be stipulated in the construction contract between the</td>
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contractor and the homeowner. For a period of 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.

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| 1.1     | 10/23/2018 | ADDED GLO Contact Info: If an applicant disagrees with the 
|          |            | county’s decision, he or she can appeal to the Texas GLO at 
|          |            | 1–800–998–4456 or visiting 
|          |            | [http://www.glo.texas.gov/contact/email-us/index.html](http://www.glo.texas.gov/contact/email-us/index.html)
|          |            | (updated phone number in Version 8.1) |
| 1.1     | 10/23/2018 | ADDED: In addition to marketing through widely available 
|          |            | media outlets, efforts may be taken to affirmatively market 
|          |            | the CDBG-DR Program as follows:
|          |            | 1. Advertise with the local media outlets, including 
|          |            | newspapers and broadcast media, that provide unique 
|          |            | access for persons who are considered members of a 
|          |            | protected class under the Fair Housing Act;
|          |            | 2. Include flyers in utility and tax bills advertising the 
|          |            | Program;
|          |            | 3. Reach out to public or non-profit organizations and 
|          |            | hold/attend community meetings; and 
|          |            | 4. Other forms of outreach tailored to reaching the eligible 
|          |            | population, including door-to-door outreach, and on the 
|          |            | weekends, if necessary. 
|          |            | Additional information can be found in the Community 
|          |            | Engagement and Marketing Plan located on the HCCSD 
|          |            | website at [www.harriscountycommunitycorner.org](http://www.harriscountycommunitycorner.org). |
| 1.1     | 10/23/2018 | ADDED: Harris County will adhere to all Section 3 
|          |            | requirements and will perform regular monitoring of any 
|          |            | required contractors and interlocal partners and their 
|          |            | contractors through CSD’s Section 3 Coordinator. |
| 1.1     | 10/23/2018 | ADDED: All changes and waiver requests will be submitted 
|          |            | and approved by the GLO. |
| 1.2     | 12/28/2018 | Removed "The unincorporated area of" from "The property 
must be located within the unincorporated area of Harris 
County, Texas. The property cannot be located with the city 
limits of Houston. |
| 1.2     | 12/28/2018 | Added Table 1. Homeowner Assistance Program (HAP) 
|          |            | Funding Target ($) by Income Category – Harris County - 
|          |            | Owners and Table 2. Homeowner Assistance Program (HAP) 
|          |            | Funding Targets ($) by Income Category – Harris County - 
|          |            | Owners from the Harris County Needs Assessment |
| 1.2     | 12/28/2018 | Updated FEMA Direct Housing Date end date from 
<p>|          |            | February 25, 2018 to August 28, 2018. |</p>
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<td>1.2</td>
<td>12/28/2018</td>
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<td>Added &quot;an additional $7,000 in soft costs&quot; for rehabilitation and &quot;an additional $10,000 in soft costs&quot; for reconstruction. Also included definition of soft costs &quot;Project soft costs are direct costs specifically related to the replacement of an MHU, rehabilitation, 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.&quot; (removed version 1.5 2/21/19)</td>
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<td>1.2</td>
<td>12/28/2018</td>
<td>5.2</td>
<td>Added: &quot;The total DOB (difference between assistance already received minus expenditures) will equal the remaining gap. The GLO’s DOB Calculation Form will be used to determine the total DOB amount. If the total previously awarded assistance is greater than or equal to the total expenditures, then a positive dollar amount will indicate a DOB. To reconcile the DOB amount owed, the applicant can pay 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.&quot;</td>
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<td>1.3</td>
<td>1/4/2019</td>
<td>1</td>
<td>Changed elevation cap from $45,000 to $40,000</td>
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<td>1.3</td>
<td>1/4/2019</td>
<td>8.1.1</td>
<td>ADDED: &quot;Applicants and participants can submit program complaints in writing, in person at any CSD office, or over the phone by contacting CSD at 1-713-578-2000. Program applications, forms, and letters will also include information for submitting complaints and appeals. Information on submitting complaints and appeals will also be made available on the Harris County Recovery website.&quot;</td>
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<td>1.4</td>
<td>2/4/2019</td>
<td>4.4</td>
<td>Removed &quot;Assisted homes will match the original footprint of the home up to the assistance cap ($80,000 for rehabilitation, $160,000 for reconstruction).&quot; Added GLO guidelines household size requirements for reconstructed homes limiting reconstructed homes to 1 bedroom per 2 household members. Exceptions to the 1 bedroom per 2 household members are also included from GLO guidelines in section 4.4.1 and definition of household members is included from GLO guidelines in section 4.4.2.</td>
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<td>1.5</td>
<td>2/21/2019</td>
<td>4.4.3</td>
<td>Added 4.4.3 Square Footage requirements per GLO housing guidelines &quot;The total square footage ranges per bedroom size are as follows: i. 2 bedroom/1-2 bath home: 1,000–1,330 SF ii. 3 bedroom/1-2 bath home: 1,331–1,425 SF iii. 4 bedroom/2 bath home: 1,426–1,500 SF&quot;</td>
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<td>1.5</td>
<td>2/21/2019</td>
<td>4.11</td>
<td>Changed &quot;Owner applicants who demonstrate financial need to temporarily relocate during the reconstruction process will be considered for temporary rental assistance&quot;</td>
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of up to $5,000. Relocation assistance will be made available through the other CSD DR program(s) and may be offered to voluntary owners."

To:
"Owner applicants who demonstrate financial need to temporarily relocate during the reconstruction process will be considered for temporary relocation assistance on a case-by-case basis."

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| 1.5 | 2/21/2019 | 7.2 | Removed: "In cases where the participant secured funding for additional work to be completed, a cashier’s check must be provided to the contractor."
| 1.5 | 2/21/2019 | 1 | Removed soft cost caps of $7,000 for rehabilitation and $10,000 for reconstruction
| 1.6 | 2/28/2019 | 3.2 | Added “Homes where the total cost of repairs is less than $10,000 will not be eligible for this program"
| 1.6 | 2/28/2019 | 4.7.5 | Added Asbestos Remediation Section “If asbestos is identified in the home during the rehabilitation process, construction work will be halted, and asbestos abatement will be conducted before work can continue. If asbestos is identified during the initial inspection, the cost of asbestos abatement will be included in the total estimated cost of rehabilitation to determine if the home will ultimately be rehabilitated or reconstructed under the thresholds included in these guidelines.”
| 1.7 | 7/23/2019 | 3.1 | Added Pilot Program Section 3.1 "3.1. Pilot Program CSD launched the HAP Pilot Program which accepted twenty (20) qualified applicants to help track and analyze key program data regarding participant actions and trends in preparation for program launch. The HAP Pilot program utilized a separate budget from this program but adhered to the same guidelines and procedures."
| 1.7 | 7/23/2019 | 4.12 | Added Case Management Section
| 1.1 | 7/23/2019 | 4.11 | Added "CSD has also created the Residential Anti-displacement Relocation Assistance Plan (RARAP) and a HAP Relocation Policy as part of its relocation process."
| 1.7 | 7/23/2019 | 9.1 | Added "5. Any ADA accessibility/mobility, septic/well work, and abatement related work will not be included as part of the assistance cap of $160,000.
   a. ADA accessibility and mobility assistance will be capped at $20,000
   b. Septic/well work will be capped at $30,000
   c. Abatement related work will be capped
| 1.7 | 7/23/2019 | 6.6 | Added section 6.6 "Contractor Selection/Rotation Process for Job Order Contracts"
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<td>1.7</td>
<td>7/23/2019</td>
<td>8.1.1</td>
<td>Added “and Appeals” to section 8.1.1 “Complaints and Appeals”</td>
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<tr>
<td>1.8</td>
<td>9/25/2019</td>
<td>3.6</td>
<td>Added information regarding applicant options for submitting pre-applications and communicating with CSD throughout the application process</td>
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<td>1.8</td>
<td>9/25/2019</td>
<td>4.3.14</td>
<td>Added “If the applicant has a lien on the property, the lien holder will need to consent to the repair or reconstruction before an applicant may be determined eligible. The Lender Consent to Repair Form will be executed by the Lender and included in the GLO setup for eligibility review.”</td>
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<td>1.8</td>
<td>9/25/2019</td>
<td>10.4</td>
<td>Added “Forgiveness of the loan provided will be prorated over the course of the affordability period. The proration percentage will depend on the length of time remaining in the affordability period, with 100% of the loan being forgiven and the lien satisfied at the termination of the 5-year affordability period. Should the homeowner use the property as collateral, sell, or otherwise convey their ownership interest in the property during the affordability period, the remaining prorated amount of assistance will become immediately due and payable. Harvey-damaged property inherited from a program participant will not be subject to the repayment requirements. The damaged property will continue its compliance period.”</td>
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<td>1.8</td>
<td>9/25/2019</td>
<td>6.5</td>
<td>Added reconstruction inspection milestones</td>
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<td>9/25/2019</td>
<td>7.2</td>
<td>Added “In addition to the 1-year warranty referenced above, for reconstructed homes, the contractor shall provide a third-party extended warranty that shall cover, at a minimum, the structural integrity and the foundation for a period of 10 years. HCCSD will inform the applicants at closing what the home warranty terms are and when they expire.”</td>
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<td>1.8</td>
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<td>Updated GLO contact information to 1–844–893–8937 or and</td>
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<td><a href="https://recovery.texas.gov/individuals/contact/index.html">https://recovery.texas.gov/individuals/contact/index.html</a></td>
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<td>Version Table</td>
<td>Changed Version Table by deleting page numbers (due to changing page numbers) and added specific version to better show when and where changes occurred in the policy</td>
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<td>Throughout</td>
<td>General formatting was updated throughout the document</td>
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<td>Introduction</td>
<td>Clarified that all rehabilitation will meet the Harris County Minimum Property Standards and all reconstruction will meet the Harris County Building Codes</td>
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<td>12/31/2019</td>
<td>Definitions</td>
<td>Clarified using Harris County Minimum Property standards in completing a damage assessment</td>
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<td>Definitions</td>
<td>Defined Minimum Property Standards and link to the County web page</td>
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<td>Section</td>
<td>Clarification</td>
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<td>Clarified that the other soft costs are above the program hard costs limit</td>
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<td>3.2.2</td>
<td>Clarified that the other soft costs are above the program hard costs limit</td>
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<td>Clarified that the other soft costs are above the program hard costs limit</td>
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<td>3.3.1</td>
<td>Clarified when Part 5 Income was being used to determine income and when the AGI method began to be used.</td>
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<td>3.5 (6)</td>
<td>Clarified that a Risk Assessment “must” be completed on pre 1978 units</td>
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<td>4.3.5</td>
<td>Clarified eligibility in the 100-year floodplain</td>
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<td>4.3.6</td>
<td>Clarified eligibility of 1st years flood insurance premium paid by the program. The homeowner must: 1) be LMI 2) be in the 100-year floodplain 3) presently does not have flood insurance.</td>
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<td>4.3.7</td>
<td>Clarified eligibility of 1st years hazard (homeowners) insurance can be paid by the program. The homeowner must: 1) be LMI 2) presently does not have hazard insurance 3) get 3 quotes from different insurance companies and submitted to HCCSD for approval and payment.</td>
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<td>4.3.8</td>
<td>Clarified eligibility of 1st year of Texas Windstorm Insurance TWIA (if applicable) can be paid by the program. The homeowner must: 1) be LMI; 2) located in designated catastrophe area and wind storm insurance required; 3) get 3 quotes from different insurance companies and submitted to HCCSD for approval and payment.</td>
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<td>12/31/2019</td>
<td>4.3.10</td>
<td>Clarified the change with determining income to the AGI method</td>
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<td>12/31/2019</td>
<td>4.3.12</td>
<td>Clarified new Public Law 115.123 policy on declined SBA loans</td>
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<td>4.9</td>
<td>Clarified that the construction activity being completed must be completed in accordance to the local codes, not the entire unit.</td>
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<td>5.2.5</td>
<td>Clarified when SBA is no longer a DOB in accordance to new Federal Regulations</td>
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Harris County Community Services Department
2016 Floods Housing Assistance Guidelines Approval Log:

<table>
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<th>Version</th>
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| Version 1.1 – 1.8 | Harris County Commissioners Court Approved on September 2018  
| | Texas General Land Office conditional Approval on August 2019  |
| Version 2.0 | Harris County Commissioners Court Approved TBD  
| | Texas General Land Office Approved on TBD  |
1. Introduction

The Harris County Homeowner Assistance Program (HCHAP) is a program that will be administered by the Harris County Community Services Department (CSD). This program will provide rehabilitation and reconstruction assistance to eligible homeowners in Harris County.

As a part of its mission, the Harris County Community Services Department (CSD) is charged with the creation and preservation of affordable housing and a suitable living environment for the low income, disabled and homeless individuals of Harris County. CSD carries out its mission in part through the operation of the Harris County Homeowner Assistance Program (HCHAP or Program). The goal of the Program is to alleviate specific life, health, and/or safety hazards resulting from substandard conditions in a home directly affected by the federally declared disaster events relating to the spring flood of 2016 (will be referred to hereafter as “the eligible disaster”). When rehabilitation projects are completed, the property shall comply with the Harris County Minimum Property Standards. All reconstruction will also result in compliance with Section 31 of the federal Fire Prevention Control Act of 1974 and all Harris County Codes. Where conflicts arise in the codes, the higher standard will prevail.

Assistance is available to homeowners whose primary residence sustained damage from the eligible disaster. Applicants may be eligible for rehabilitation or reconstruction of their homes. Determination of the type of work to be undertaken is detailed in the “Categories of Repair” section. A housing inspector or designee will inspect the damaged unit to determine the estimated cost of improvements remaining to meet the minimum property standards as adopted by HCHAP. The maximum amount allowed for rehabilitation is $80,000 and additional soft costs. Project soft costs are direct costs specifically related to the removal of an MHU, rehabilitation, 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) will be purchased for each unit. The maximum amount allowable for reconstruction is $160,000, excluding elevation. Additionally, one year of homeowner insurance(s) may be purchased for each unit. The maximum amount allowable for elevation is $40,000. Assistance will be provided in the form of a deferred forgivable loan, secured by a deed of trust with a five (5) year affordability period. Further any ADA accessibility and mobility assistance will be capped at $20,000, Septic/well work will be capped at $30,000, and Abatement related work will be capped at $20,000.

In addition to these limits, each homeowner project will include additional project direct costs, including but not limited to inspections, reviews, permits, verifications, testing and other similar costs directly related to repairing and/or rebuilding the housing unit.
An environmental review must be performed by CSD and approved by the Texas General Land Office (GLO) to be eligible for the Program. If an applicant has already started or completed work on the damaged residence, the applicant will be required to stop all work until the environmental review is completed. If the applicant does not stop, he or she may not be eligible for the Program. The CSD will monitor and document that work has ceased pending the completion of an environmental review. The HCHAP inspector, or designee, will notate any work that has been started and/or completed.

2. Definitions

**Acquisition** – The utilization of CDBG-DR Disaster funds to acquire real property. Acquisition only is typically not considered a complete activity in the Program and must be combined with another eligible use (i.e. relocation assistance). The purchase price must be consistent with applicable uniform cost principals, and the pre-disaster Fair Market Value (FMV) may not be used.

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

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

**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 consider 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 housing unit to document repairs that have already been completed and additional damage from the event. The damage assessment by a certified or licensed inspector (HQS, TREC, IRCC or similar license) is required to specifically and clearly document storm-related property damage and completed repairs via photographic evidence and detailed narratives (see the GLO’s Damage Assessment Guidelines, found at www.texasrebuilds.org). Damage assessments must include final cost of repair estimates to bring the home up to Harris County Minimum Property Standards (MPS).

**Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts** – All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. This applies to the rehabilitation and reconstruction of residential property only if such property contains not less than 8 units.

**Demolition** – The clearance and proper disposal of dilapidated buildings and improvements.
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 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.

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).

Environmental Review – All qualified projects 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.

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.

Federal Register (FR) – A daily publication of the US federal government that issues proposed and final administrative regulations 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 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 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 Areas (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.
**Green Building Standards** – All rehabilitation (meets the definition of substantial improvement), reconstruction, or new construction must meet an industry-recognized standard that has achieved certification under at least one of the following programs: (1) ENERGY STAR (Certified Homes or Multifamily High-Rise), (2) Enterprise Green Communities, (3) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), or (4) ICC– 700 National Green Building Standard. Additionally, new construction in unincorporated Harris County must meet all the provisions of the Building Code Adopted and in use by the City of Houston, including the energy code provisions, as amended.

**Homeowner Assistance Activity** – The utilization of CDBG-DR funding to rehabilitate or reconstruct damaged homes 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 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 LMI National Objective is based on the LMI of the household.

**Housing and Urban Development Act of 1968, Section 3** – Requires program administrators 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.

**Housing Quality Standards (HQS)** – The HQS establish 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.

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

**Low to Moderate Housing (LMH) National Objective** – Any activity that involves the buyout, acquisition, or rehabilitation of property to provide housing or improve permanent residential structures will upon completion benefit and must be occupied by low- and moderate-income households (42 U.S.C. 5305(c)(3)). Income eligibility will be determined using Area Median Income (AMI), adjusted for family size 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 or the state to verify the income eligibility of each household applying for assistance at the time assistance is provided.

**Low to Moderate Income National Objective** – Activities which benefit persons of income that does not exceed 80 percent of the area median income:

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

**Manufactured Housing Unit (MHU)** – A structure, transportable in one or more sections which in the traveling mode is 8 body-feet or more in width, or 40 body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

**Minimum Property Standards** – The Harris County Minimum Property Standards (MPS) establish certain minimum standards for buildings rehabilitated under this CDBG DR HUD housing programs. The Harris County MPS can be found on the Harris County Recovery website at [www.harrisrecovery.org](http://www.harrisrecovery.org).

**Mitigation** – Improvements made to reduce the possibility of property damage, personal and commercial hardship, as well as long lasting monetary burdens. For example, creating a flood mitigation program such as an acquisition of at-risk flood-prone property/housing, and elevation of housing in high-risk floodplains are two visible and effective mitigation projects that can be taken to make residents and communities safer in the face of natural disasters.

**Modular Housing** – A home built in sections in a factory to meet state, local, or regional building codes. Once assembled, the modular unit becomes permanently fixed to one site.

**Multifamily Rental** – Eight or more rental units in the property.

**Needs Assessment** – An assessment that determines the type of housing programs that will be offered equitably and based upon an objective assessment of unmet needs in the affected community’s population.

**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.

**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 or the state; 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 the aggregate, in a single fiscal year, received by the subrecipient and directly generated from the use of housing CDBG-DR funds.

**Reconstruction** – Demolition and rebuilding of a stick-built or modular housing unit on the same lot in substantially the same footprint and manner. This 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 storm-damaged housing units in the impacted areas to the Harris County Minimum Property Standards.

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

Slum and Blight National Objective – Activities which help to eliminate slum and blighted conditions. (Use of this National Objective is limited due to its inability to contribute towards the overall requirement for 70 percent LMI to benefit low- to moderate-income beneficiaries.) See 24 CFR 570.208(b).

Slum and Blight activities must meet the criteria of one of the three following categories:
- Prevent or eliminate slum and blight on an area basis;
- Prevent or eliminate slum and blight on a spot basis; or
- Be in an urban renewal area.

Subrecipient – Cities, counties, Indian tribes, local governmental agencies (including COGs), private nonprofits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of subrecipient does not include procured vendors, private grant administrators, or contractors providing supplies, equipment, construction, or services and may be further restricted by Program rules or other guidance including applications. See vendor definition for further clarification.

Subrogation Agreement – An agreement executed by the beneficiary agreeing to repay any duplicative assistance if the beneficiary later receives other disaster assistance for the same purpose as disaster recovery funds already received.

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

Substantial Improvement – Any reconstruction, rehabilitation, addition, or other improvement of a structure which the cost 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).

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (42 U.S.C. 4601 et seq.) (URA) – Applies to all acquisitions of real property or displacements of persons resulting from federal or federally assisted program or projects. URA’s objective is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.
the purposes of these guidelines, URA mostly applies to residential displacements in involuntary (49 CFR Subpart B) acquisition or multifamily damaged/occupied activities that require the relocation of the tenants. A displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months, as waived by the FR.

Unsecured Forgivable Promissory Note – Is an agreement between the assisted beneficiary and Subrecipient/GLO that requires applicants to comply with 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.

Urgent Need National Objective – An urgent need that exists because conditions pose serious and immediate threat to the health or welfare of the community; the existing conditions are recent or recently became urgent; and the subrecipient cannot finance the activities on its own because other funding sources are not available. Subrecipients or the state must document how each program and/or activity funded under this category responds to a disaster-related impact.

3. Purpose & Program Scope
The primary focus of this Program is to provide relief for households who own and occupy a property in Harris County that was impacted by an eligible disaster with consideration given to affirmatively further fair housing, as called for within the Fair Housing Act. The following Program objective is established to guide the Program for success.

1. The Program shall provide decent, safe, and sanitary housing in the disaster impacted areas through the provision of rehabilitation, reconstruction and/or elevation activities designed to address damage caused by the eligible disaster and to mitigate the potential impact of future disasters.

Harris County has conducted a Needs Assessment which was utilized in developing program objectives and guidelines. A copy of the Needs Assessment is available on the HCCSD website www.harriscountycommunitycorner.org

3.1. Pilot Program
CSD launched the HAP Pilot Program which accepted twenty (20) qualified applicants to help track and analyze key program data regarding participant actions and trends in preparation for Program launch.

3.2. Categories of Repairs
Program objectives will be met through completing major rehabilitation and reconstruction under the following categories of repairs:

1. Rehabilitation
2. Reconstruction
3. Elevation

If the applicant requires any amount of funding to finish rehabilitation or reconstruction of their home above what the applicant is eligible to receive from this Program, the applicant must secure that funding before they will be eligible to receive any funds from this Program. As part of these limits, each homeowner rehabilitation/reconstruction project will include project direct costs,
including but not limited to inspections, reviews, permits, verifications, testing and other similar costs directly related to repairing and/or rebuilding the housing unit. Homes where the total cost of repairs is less than $10,000 will not be eligible for this program. CSD reserves the right to refer individuals to other CSD programs based on applicant needs and available resources.

3.2.1. Rehabilitation
Work will be categorized as rehabilitation if the estimated cost of improvement (hard costs) including the cost of elevation is less than 50% of the Harris County Appraisal District’s applicable assessed home value. The appraisal year to be used will correspond with the date of the eligible disaster. The maximum award amount for rehabilitation is $80,000. Further any ADA accessibility and mobility assistance will be capped at $20,000, Septic/well work will be capped at $30,000, and Abatement related work will be capped at $20,000. In addition to these limits, each homeowner project will include additional project direct costs, including but not limited to inspections, reviews, permits, verifications, testing and other similar costs directly related to repairing and/or reconstruction of the housing unit.

3.2.2. Reconstruction
Work will be categorized as reconstruction if the estimated cost of improvement (hard cost) is greater than 50% of the Harris County Appraisal District’s applicable assessed home value. The appraisal year to be used will correspond with the year of the eligible disaster. The maximum award for reconstruction is $160,000 excluding the cost of elevation. Further any ADA accessibility and mobility assistance will be capped at $20,000, Septic/well work will be capped at $30,000, and Abatement related work will be capped at $20,000. In addition to these limits, each homeowner project will include additional project direct costs, including but not limited to inspections, reviews, permits, verifications, testing and other similar costs directly related to repairing and/or reconstruction of the housing unit.

When elevation is required the work will be categorized as reconstruction.

3.2.3. Elevation
Reconstruction projects will be eligible for elevation assistance if the home is in a flood plain and elevation is required. Rehabilitation projects will not be considered eligible for elevation. Per the Federal Register Notice “All structures, defined at 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 at 24 CFR 55.2(b)(10), must be elevated with the lowest floor, including the basement, at least two feet above the base flood elevation. Mixed-use structures with no dwelling units and no residents below two feet above base flood elevation, must be elevated or floodproofed, in accordance with FEMA floodproofing standards at 44 CFR 60.3(e)(3)(ii) or successor standard, up to at least two feet above base flood elevation.” In addition to these limits, each homeowner project will include additional project direct costs, including but not limited to inspections, reviews, permits, verifications, testing and other similar costs directly related to repairing and/or reconstruction of the housing unit.

3.3. National Objectives
The national objectives to be utilized for this Program include Low-Mod Housing and Urgent Need per 24 CFR part 570.208.

3.3.1. Low Mod Housing (LMH)
Households who meet the income requirements of a Low- and Moderate-Income (LMI) person. A Low- and Moderate-Income person is defined as a member of a household having income less
than 80 percent of the median family income as determined by HUD for Harris County. The program will use the 24 CFR Part 5 definition of annual income. (See Income Policies and Procedures prior to November 16, 2019. After November 15, 2019, Harris County will use the Adjusted Gross Income (AGI) method of income calculation for purposes of determining Low-Mod Housing and Urgent Need unless the applicant did not file a Federal Income tax form for the most recent year. Self-employed applicants will be required to submit the most recent two years of Federal income tax forms. If the applicant did not file an income tax return, then the 24 CFR part 570.208 will be used to determine Low-Mod Housing and Urgent Need. Income limits are established by HUD and updated annually. At least 70 percent of CDBG-DR funds allocated to the State of Texas must benefit low and moderate-income households. If a homeowner does not meet the criteria for low and moderate income, they must meet the national objective of Urgent Need.

3.3.2. Urgent Need (UN)
Projects for households with income over Low and Moderate-Income threshold will fall under the Urgent Need national objective. Urgent needs are those needs that have a particular urgency because existing conditions pose a serious and immediate threat to health or welfare of the community, and other financial resources are not available to meet such needs.

3.4. Program Priorities
Based on the availability of funds, there may be multiple rounds for the HCHAP. Applications will be awarded funding based on priorities established by CSD until all funds are exhausted.

3.4.1. Recipient Priorities
Applicants who meet the following priority designation(s) will receive priority for application funding.

1. Low & Moderate Income and FEMA Direct Housing Recipients
2. Urgent Need and FEMA Direct Housing Recipients (limited to no more than 30% of available funding)
3. Low & Moderate Income
4. Not Classified/All Other applicants

3.4.1.1. Low & Moderate Income
Homeowners who are of low and moderate income defined as a household earning 80% or less of the area median income for Harris County as established by HUD.

3.4.1.2. FEMA Direct Housing
Households who were assisted through the FEMA Direct Housing Program - Manufactured Housing Option in Harris County. The FEMA Direct Housing Program is scheduled to end on August 28, 2018. This priority category will be eliminated following the end of the program.

3.4.1.3. Not Classified/All Other Applicants
This category consists of all other applicants that otherwise do not meet the characteristics of the above priority designations. At least 70 percent of HCHAP participants will be low- and moderate-income households. Those households that receive assistance that are not low- and moderate income will be assisted through the Urgent Need National Objective.
3.5. **Flood Insurance Requirements**  
Per Federal Register Notices that are applicable to the eligible disaster, HCHAP assistance for homes located in a floodplain is allowable, provided:

1. The homeowner had flood insurance at the time of the eligible disaster and still has unmet recovery needs; or  
2. The household has unmet recovery needs and earns less than the greater of 1) 120% AMI; or 2) the national median income.  
3. Applicants that received assistance from a previous CSD disaster recovery program must have maintained flood insurance in accordance with the requirements of that program.

3.6. **Application Process Overview**  
Below is a summary of the HCHAP process from pre-application through closing:

1. **Pre-application Advisory/Intake Services**  
a. Intake specialist will respond to inquiries and assist applicants with completion of HCHAP applications for assistance.

2. **Interest and Waiting List**  
a. CSD will maintain an “Interest List” of persons interested in applying for the HCHAP. This listing will be made available prior to program start to allow persons in need of assistance to register their interest in recovery programs, complete a pre-application form, and provide contact information for follow-up.  
b. CSD may maintain a waiting list if demand for assistance exceed available resources.

3. **Pre-Application Review**  
a. The pre-application review is used to review preliminary data collected on the applicant and the applicant’s property, contact the applicant to discuss the application process, provide information regarding the assistance available, inform the applicant of the documentation/verification requirements, and discuss next steps.  
b. Determine residency with HCHAP limits according to program guidelines.

4. **Application**  
a. Used to collect required information, certifications, authorizations, and supporting documentation/verifications used to determine program eligibility

5. **Evaluation & Eligibility Determination**  
a. Verification and calculation of household income, review citizenship status, ownership and primary residency status, clear title and current on property taxes, child support, determine property location/eligibility, etc.  
b. Complete program documents with eligibility specialist/assess need for relocation advisory services  
c. Applicants complete the application and provide required documentation to determine their eligibility for the program.

6. **Environmental/Historical Review**  
a. If property was built prior to 1978 a Lead Based Paint Inspection must be conducted

7. **Property Assessment**  
a. HCHAP Inspector or designee should assess the residence of each applicant as soon as possible after a case assignment has been received to document the
current conditions and determine the nature and the general scope of the eligible repair work.

8. Work Write-Up and Cost Estimate
   a. The work write-up will identify in detail the work to be performed.
   b. A cost estimate will be determined based on the work write-up
   c. Work write-up is compared to HCHAP thresholds for placement in rehabilitation or reconstruction
   d. Work write-up will be submitted to the owner for approval

9. Contractor Selection
   a. Contractor selected from Master Service Agreement (MSA) for the work needed

10. Construction
    a. Construction Management—every program assisted under the HCHAP will be provided turn-key construction management services from preparation of work scope through Program and pay point inspections. Each project will be monitored to ensure compliance with Minimum Property Standards and construction work site safety.
    b. Change Orders- change orders will be reviewed and approved for consistency with Program standards and within funding available.
    c. Payments to Contractors
       i. Inspections completed prior to payments

11. Close-Out
    a. A “substantial completion” inspection will be completed to confirm that the work has been completed in accordance with program requirements and contract
    b. Participant reviews work completed with program staff and contractor and signs the “Homeowner Acceptance Form” certifying that there are no concerns with the work completed
    c. Final payments are processed and made

12. Compliance & Monitoring
    a. Ongoing monitoring and oversight of the HCHAP

Applicants will be able to submit a pre-application in the following ways:

- Online on the HCPR website (https://harrisrecovery.org/)
  o HCCSD system of record and will follow all CRBG-DR, Harris County and GLO record retention requirements
  o HCCSD system of record will contains a client facing application portal which includes client status updates
- Via phone: Call to speak with a HCCSD Team Member who will assist in submitting online
  o 832-927-4961
- In-person, by completing an interest sheet at an Outreach Event.
  o https://harrisrecovery.org/events/
  o Staff will enter information online
- In-person, by visiting an intake center
  o Walk into an intake center and a HCCSD Team Member will assist in online completion
Visit a mobile intake location and a HCCSD Team Member will assist in online completion
Visit a temporary intake location and a HCCSD Team Member will assist in online completion

NOTE: See Project Recovery website for current locations

Direct mailings will be used to notify applicants of application status updates, appointment notifications, missing information, home evaluation notices, construction closing, and information regarding the HAP process and timeline. Staff will also receive inbound and make outbound calls to homeowners primarily to answer Program eligibility questions, answer application status requests, and schedule intake or HAP closing appointments.

4. Household & Property Eligibility
4.1. Ownership & Property Title
Applicant(s) must hold title to and occupy the property as his or her primary residence for which HCHAP assistance is being provided or meet eligible exception criteria (affidavit of ownership). Ownership may be verified by:

1) Warranty Deed- A Contract for Deed does not qualify as holding title or ownership of the property, however, ownership may be verified by a Warranty Deed in the name of the applicant(s).

2) Property Tax Records- CSD may use the Harris County Appraisal District (HCAD) data and compare property and applicant information with the names and addresses on the property tax records from the time of the storm and from the most recent tax year. Tax records must match the name of the applicant and the damaged address to be eligible for assistance. If matches are found, the match establishes ownership at the time of the storm and currently.

If the applicant does not have a Warranty Deed, they may sign an affidavit of current ownership described below. If HCAD only lists one name, the applicant can provide the legal transfer of ownership document showing all owners. At least one name on the document must be present in HCAD. The legal description on the document must match the legal description in HCAD.

In absence of proof of property ownership described above, to be eligible for assistance, the applicant household must provide evidence of ownership interest in the property by doing the following:

1. Provide, on a form prescribed by GLO, an affidavit that sets forth how they are the successors in interest, through devise, intestacy, or conveyance, to the holder(s) or record title and that:
   a. there is no other person entitled to claim any ownership interest in the property; or
   b. each person who may be entitled to claim an ownership interest in the property has given their consent or cannot be located after a reasonable effort and provide to the GLO either:
      i. proof that they have been, for the current and last preceding tax year, and on date of the eligible disaster, the person reflected on the tax rolls as the owners and the person liable for property taxes; or
ii. other evidence, reasonably acceptable to the GLO that establishes that they have ownership over the property.

CSD may accept alternate forms of ownership as approved by GLO.

### 4.1.1. Special Circumstances Related to Type of Ownership

Special circumstances related to type of ownership include:

#### 4.1.1.1. Purchase Contracts

1. Contract for Deeds are not eligible unless applicants convert their contract to full ownership prior to receiving funding assistance from the program unless the holder of the contract is willing to provide the applicant with a warranty deed AND the applicant can provide verification that they occupied the home as their primary residence at the time of the disaster.

2. Evidence of purchase contracts must prove that an applicant was purchasing a home on a contract by:
   - a. The applicant presenting the notarized contract dated and executed prior to the eligible disaster for review by CSD.
   - b. The applicant presenting the notarized and executed contract that was filed prior to the eligible disaster in the conveyance records of the County.

3. Proof that a contract has been completed and title conveyed to the purchaser is provided by:
   - a. Evidence of recordation of the title in the name of the applicant(s) in the conveyance records of the County, or
   - b. Evidence that property was transferred by a warranty deed.

#### 4.1.1.2. Act of Donation

An Act of Donation is a form of property transfer without exchange or payment. For the purpose of HCHAP, an Act of Donation must have been made prior to the eligible disaster unless the applicant can provide verification that the property was their primary residence at the time of the disaster. Any Act of Donation must adhere to all the following:

1. In writing
2. Witnessed
3. Notarized
4. Recorded in public record

#### 4.1.1.3. Trust

Property held in trust for the benefit of natural persons can be eligible for HCHAP assistance if at least one of the occupants at the time of the storm was a current beneficiary of the Trust and primary resident of the property. The trustee’s powers must include the ability to affect the damaged property. If the trustee’s powers do not include the ability to affect the damaged property, the beneficiaries with an interest in the damaged property must sign the signing event documents along with the Trustee.

The following is required to confirm eligibility:

1. The applicant must provide a copy of the trust document
2. The trust document or an abstract or extract of the trust must be recorded in the conveyance records of the County in which the damaged property is located. This recordation in the conveyance records of the County in which the damaged property is located may be recorded post-storm if necessary.

The applicable agreement must be executed by trustee(s) unless the trust distributes the property to a beneficiary, in which event the beneficiary receiving the property must execute the applicable agreement. If the property was not serving as the primary residence for the current beneficiaries or trustee, the applicant(s) is not eligible for assistance.

4.1.2. Death of Eligible Owner Occupant
If the homeowner passes away before application, during application, or after the contract has been signed, the heir to the property may be eligible for the program. If the deceased owner of the damaged address passed away after the eligible disaster, the heir must meet all eligibility requirements. If the deceased owner of the damaged address passed away before the storm, the heir occupying the property must meet all eligibility requirements and will be processed for assistance in the same manner as all other applicants. The heir will sign an affidavit and present documentation in accordance with Texas HB 2450 - 2009. If an eligible owner occupant dies and leaves their damaged property to a business entity, the application is ineligible for assistance.

An applicant for federally funded financial assistance to repair or rebuild a home damaged by natural disaster may establish ownership of the home through nontraditional documentation of title. The HCHAP shall process an application for that assistance as if the applicant is the record title holder of the affected real property if the applicant provides to the department:

1. An affidavit summarizing the basis on which the applicant claims to be the holder of record title or a successor in interest to the holder of record title and stating that:
   a. There is no other person entitled to claim any ownership interest in the property; and
   b. Each person who may be entitled to claim an ownership interest in the property has given consent to the application or cannot be located after a reasonable effort
2. Other documentation, including tax receipts, utility bills, or evidence of insurance for the home, that indicates that the applicant exercised ownership over the property at the time of the natural disaster.

4.1.3. Other Forms of Acceptable Ownership
4.1.3.1. Inherited Property with Multiple Owners
Under this form of ownership, the applicant must: 1) demonstrate him/her as the owner-occupant of the property, 2) that he/she occupies the housing as his or her principal residence, and 3) pays all costs associated with ownership and maintenance of the housing (e.g. mortgage, taxes, insurance, utilities.) All persons on the Title who do not occupy the property must agree to sign an Affidavit acknowledging approval for the assistance to be provided and that they do not occupy the property (for the purposes of calculating household income).

4.1.3.2. Beneficiary Deed
A beneficiary deed conveys an interest in real property, including any debt secured by a lien on real property, to a grantee beneficiary designated by the owner and that expressly states that the deed is effective on the death of the owner. Upon the death of the owner, the grantee beneficiary
receives ownership in the property, subject to all conveyances, assignments, contracts, mortgages, deeds of trust, liens, security pledges, and other encumbrances made by the owner or to which the owner is subject during the owner's lifetime. The owner must occupy the property as his or her principal residence.

Ownership shall be evidenced and confirmed by review of a Title Status Report from the County Attorney's Office.

### 4.1.3.3. Ineligible Ownership
Business entities are not eligible. This includes but is not limited to: Limited Liability Corporations, Limited Liability Partnerships, Corporations, etc.

Applicants who lost ownership of their homes due to foreclosure, or are pending foreclosure, properties with outstanding suits, judgements and tax liens that would jeopardize ownership may be ineligible for assistance.

### 4.2. Occupancy
To confirm occupancy, the program looks for a homestead exemption in the property tax records provided by Harris County from the time of the eligible disaster. If the tax records have established a homestead exemption, the property is considered occupied by the applicant. In the absence of CSD confirming a homestead exemption from records provided by the County, the following hierarchy will be used to establish occupancy (all occupancy documentation must show services were provided during the billing period of the eligible disaster, in the applicant or co-applicant's name, and the damaged address):

1. Copy of electric, gas, or water bill. The bill must confirm that service was provided during the billing period of the eligible disaster,
2. Letter from electric, gas, or water company. The letter must confirm that service was provided during the billing period of the storm, or
3. Other qualified documents may be presented to CSD for consideration of proof of occupancy, which include but are not limited to a voter registration card from the time of the storm, a driver’s license from the time of the storm.

If applicants need additional assistance obtaining documents they may be referred to a local agency.

### 4.2.1. Special Circumstances Related to Occupancy
Special Circumstances related to occupancy include the following:

1. Active duty military personnel who own a storm-damaged home in Harris County but are currently assigned to duty away from their home or were assigned to duty away from their home at the time of the eligible disaster are eligible to apply. If the applicant is on active duty at the time of application, the applicant may give someone Power of Attorney on his or her behalf.
2. Applicants incapacitated due to illness who own a storm damaged home in Harris County and are currently incapacitated or were incapacitated at the time of the eligible disaster are eligible to apply.
3. Applicants who were incarcerated at the time of the eligible disaster but are no longer incarcerated are eligible to apply for the program. If the applicant is incarcerated at the
time of application, the applicant must give someone Power of Attorney on his or her behalf.

4. Applicants who were in a nursing home at the time of the eligible disaster but are no longer in a nursing home are eligible to apply for the program. If the applicant is in a nursing home at the time of application, the applicant must give someone Power of Attorney on his or her behalf.

5. Applicants who are incapacitated due to illness, being incarcerated, or in a nursing home at the time of application must present proof to their case manager that they will not be incapacitated, incarcerated or in a nursing home for more than 180 days and will reoccupy the home following reconstruction/rehabilitation within 180 days. For circumstances that exceed 180 days, eligibility determination will be made on a case by case basis.

4.3. **Principal Residence**

Per Federal Register Notices that are applicable to the eligible disaster, “Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for rehabilitation assistance or housing incentives. A second home is defined under this notice as a home that is not the primary residence of the owner, a tenant, or any occupant at the time of the [eligible disaster] or at the time of application for assistance.” 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 applicable, above-referenced dates. Vacation homes and rental properties are not eligible for assistance under the HCHAP.

4.3.1. **Eligible Structures (Dwelling Units)**

Stick built homes must be a single-unit structure or a double-unit structure. A dwelling unit is defined as a residential space that is a place of permanent habitation for a person or family that contains a living room, kitchen area, sleeping area, and bathroom(s).

Attached structures are eligible if they are under the common roof of the damaged single- or double-unit structure.

4.3.1.1. **Two Sides of Duplex on One Tax Parcel**

1. **Situation 1:** Applicant “A” owns both sides of the duplex and occupied one side of the duplex at the time of the eligible disaster. Applicant “A” can apply to HCHAP for the entire property – both sides of the duplex. All funding assistance calculation inputs are based on the entire property and both sides of the duplex.

2. **Situation 2:** The parcel is owned by Applicant “A” and Applicant “B”. Applicant “A” occupied one half of the duplex at the time of the eligible disaster and Applicant “B” occupied the other half of the duplex at the time of the eligible disaster. The Applicants can apply separately. If only one Applicant applies for assistance, the owner of the other side of the duplex may need to sign a release (legal document from CSD) allowing work to be completed that may affect their side of the duplex. (example: roof, siding...).
4.3.1.2. Other Structures

1. Manufactured housing home owners, that own their lot, are eligible to apply for the reconstruction program when the estimated cost of repairs exceeds the reconstruction thresholds for the HCHAP. Applicant must own the property (meeting the ownership requirements referenced in these guidelines) on which the manufactured home resides. 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. CSD will contact the current lender for the MHU property prior to approving the applicant for reconstruction.

2. An applicant who lived in a boat is not eligible to apply for the program.

3. An applicant who lived in an RV is not eligible to apply for the program.

4. Condominiums and Town Homes where a building or complex of buildings contain a number of individually owned apartments or houses are not eligible to apply for the program.

4.3.2. Property Type

Property is the land and improvements listed on the title or appraisal district record as published on HCAD.org on which the owner-occupant unit is located. For a property containing more than one unattached unit, only the owner-occupied unit is eligible for assistance. The remaining units are not eligible for assistance under this Program.

4.3.3. Property Taxes

The applicant(s) must be current on all property taxes or must have a payment plan on file with the Harris County Tax Office. CSD staff will work with applicants to set up a payment plan if eligible and applicable.

4.3.4. Location

The property must be located within Harris County, Texas, outside the city limits of Houston.

4.3.5. Flood Plain

If the property is located within a 100-year flood plain and the homeowners household income exceeds 120% of the AMI, they must provide evidence of flood insurance on the property prior to the disaster to be eligible to receive CDBG-DR assistance.

4.3.6. Flood Insurance

Flood insurance may be purchased on behalf of the assisted homeowner by the program for one year from the date of assistance. Eligible homeowners are 1) limited to LMI homeowners 2) the damaged unit is in the 100-year floodplain and 3) the homeowner does not presently carry flood insurance. The program will purchase the first year’s premium provided by NFIP insurance agent and $50,000 value on contents. Homeowners are required to maintain flood insurance after the first year for at least 4 additional years. HCCSD will monitor this for compliance. Failure to maintain flood insurance will impact future disaster assistance.

4.3.7. Homeowners Insurance

HCCSD will pay for one year of Hazard (homeowner’s) insurance for eligible homeowners. To be eligible, the homeowner must 1) be qualified as a LMI household and 2) does not presently carry hazard insurance. The homeowner must receive 3 quotes from different insurance companies and submit them to HCCSD for approval. Once approved, HCCSD will purchase one year of insurance and on behalf of the homeowner. This insurance must be purchased prior
to start of construction. The homeowner is responsible to continue the insurance throughout the remaining lien period.

4.3.8. Windstorm Insurance
HCCSD will pay for one year of Texas windstorm insurance for eligible homeowners. To be eligible, the homeowner must 1) be qualified as a LMI household and 2) does not presently carry windstorm insurance and 3) must be located in a Harris County TWIA designated catastrophe areas. The homeowner must receive 3 quotes from different insurance companies and submit them to HCCSD for approval. Once approved, HCCSD will purchase one year of insurance and on behalf of the homeowner. This insurance must be purchased within 60 days of final inspection. The homeowner is responsible to continue the insurance throughout the remaining lien period.

4.3.9. Storm Damage
The home must be registered for and categorized by FEMA as having been damaged, or the applicant must provide proof of SBA loan for damage or hazard/flood insurance award for damage. In the absence of FEMA, SBA, or Insurance award, the program may accept certified damage assessments evidencing that the property received damage from an eligible disaster from local governments, faith-based organizations or other third-party disaster assistance organizations if they are supported with physical evidence of those repairs (photographs). If no third-party verifications are available, storm damage may be verified by both media reports identifying damage in the area in which the home is located; AND pictures of the damage to the property that a third-party inspector certifies occurred as a result of the eligible disaster. HCHAP inspectors may also be utilized to verify storm damage if other forms of verification are not available. CSD will follow the GLO Damage Inspection Guidelines.

4.3.10. Household Income
The HCHR requires that each applicant household provide their household income for purpose of determining their eligibility to receive assistance. Income amounts will be verified through the Income Policies and Procedures. The Department of Housing and Urban Development’s (HUD) Income Calculator or a similar calculator tool will be used to determine if applicant meets HUD's low to moderate income criteria. The program will use the 24 CFR Part 5 definition of annual income. (See Income Policies and Procedures prior to November 16, 2019. After November 15, 2019, Harris County will use the Adjusted Gross Income (AGI) method of income calculation for purposes of determining Low-Mod Housing and Urgent Need unless the applicant did not file a Federal Income tax form for the most recent year. Self-employed applicants will be required to submit the most recent two years of Federal income tax forms. If the applicant did not file an income tax return, then the 24 CFR part 570.208 will be used to determine Low-Mod Housing and Urgent Need. Income limits are established by HUD and updated annually.

4.3.11. Finances & Credit Check
A credit check will be conducted to verify the applicant’s identity, that there are no judgements, liens, etc. on the property that may place the property in jeopardy of foreclosure, and child support payments are current if applicable. An applicant’s credit score is not taken into consideration. Prior to the signing event, all applicants must be current on:

1. Property Taxes, qualify for and receive a payment plan for delinquent taxes, or awarded a tax deferral as allowed under Section 33.06 of the Texas Tax Code; and
CDBG funds may not be used to pay delinquent taxes nor child support back payments. Applicants with a mortgage or a reverse mortgage at the time of the eligible disaster are eligible.

4.3.12. Declined SBA Loans
In cases where an applicant previously declined an SBA loan, the program will follow Public Law 115.123. See Section 5.2.5 for additional information.

4.3.13. Environmental/Historical Review
The property must pass an environmental and historical evaluation.

4.3.14. Lender Consent
If the applicant has a lien on the property, the lien holder will need to consent to the repair or reconstruction before an applicant may be determined eligible. The Lender Consent to Repair Form will be executed by the Lender and included in the GLO setup for eligibility review.

4.3.15. Feasibility Assessment
The property must pass a Feasibility Inspection by CSD to confirm the feasibility that repairs will extend the life of home within the limits of available funding.

4.3.16. Fraudulent Application
If an applicant knowingly makes a misstatement or omission in any statement, document, or application in connection with the Applicant’s request for assistance, as determined at the sole discretion of the County, the Applicant may be prohibited from applying for HCHAP assistance for a period of five (5) years from the date the County notifies the applicant of its discovery of such misstatement or omission. In addition to the disqualification from the HCHAP, the Applicant may be subject to both civil and criminal prosecution and a demand for immediate repayment of any funds disbursed on behalf of the applicant for rehabilitation work.

4.4. Household Size Requirements
CSD will ensure that there is an adequate number of bedrooms for the household size in accordance with HUD’s HQS standards.

4.4.1. Exceptions to household size requirement
CSD will make exceptions to the one bedroom per two household members for the following reasons:

- 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 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, such as a member who is away in the military. If individual circumstances warrant special consideration, a waiver request may be approved.

4.4.2. Household Member
When determining family issuance size, CSD will include all children expected to reside in the unit 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, 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 percent of the time. However, if individual circumstances merit special consideration, a waiver request 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 (e.g., within 3 months) must be provided for such child to be included.
• Children Temporarily Absent from Household:
  o 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 (e.g., within 3 months) must be provided for such child to be included.
  o Children who are away at school but live with the family during school recesses are included as members of the household.
• 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.; and
• Parental Custody Situations — Children physically occupy the unit less than 50 percent 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.

4.4.3. Square Footage
The total square footage ranges per bedroom size are as follows:

i. 2 bedroom/1-2 bath home: 1,000–1,330 SF
ii. 3 bedroom/1-2 bath home: 1,331–1,425 SF
iii. 4 bedroom/2 bath home: 1,426–1,500 SF
4.5. Certification Requirements to Receive Assistance
All applicants must agree to the following to receive assistance:

1. Sign a release so that information provided by the applicant(s) can be shared with state and federal agencies and other third parties in order to verify information given to the Program. The applicant, co-applicant and all household residents age 18 or older are required to sign a release of information form (unless one of the eligible owner-occupants has provided power of attorney to the other to represent them. then the eligible owner-occupant does not need to sign release).
2. Agree to verification of their ownership status, the amount of disaster-related damage to the home, and assistance received.
3. Swear to the accuracy and completeness of all information provided to CSD under penalty of law.
4. Power of attorney: Applicant(s) may grant power of attorney to someone who can apply on their behalf.
5. Agree to maintain homeowner and flood insurance if applicable.
6. Agree to occupy the home within 180 days from project completion. CSD will make a decision regarding exceptions on a case by case basis.
7. Agree to occupy the home as his or her primary residence for five years.

CSD will incorporate “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” to any and all documents to be signed by the applicant.

4.6. Citizenship Requirements
The homeowner must be a United States citizen, or an eligible immigrant as verified by a signed declaration and one of the following:

1. U.S. Citizen
   a. A United States Passport
   b. Birth Certificate
      i. In the absence of a birth certificate, an elderly applicant may substitute a Social Security Benefits Determination document for the birth certificate.
   c. Certificate of Naturalization
2. Eligible Immigrant
   a. Form I-551 Alien registration receipt card
   b. Form I-94 Arrival Departure Record annotated with one of the following:
      i. Admitted as a Refugee Pursuant to Section 207
      ii. Section 208
      iii. Section 243 (h) or “Deportation” stayed by Attorney General
      iv. Paroled Pursuant to Section 221 (s)(5) of the USCIS
   c. Form I-94 Arrival-Departure Record with no annotation accompanied by:
      i. A final court decision granting asylum (only if no appeal is taken)
      ii. A letter from an USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from an USCIS district director granting asylum (application filed before 10/1/90)
      iii. A court decision granting withholding of deportation
iv. A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90)
v. A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified.

4.7. Eligible & Ineligible Activities

4.7.1. Eligible Activities
In general, eligible repair activities consist of the removal of deficiencies or health and safety hazards, improving energy efficiency, enhancing accessibility, remediating lead-based paint, and extending the useful life of the property. All improvements must be attached to the property and permanent in nature. Examples of eligible items are foundation repair; electrical rewiring or repair; plumbing repair; roof replacement or repair; heating and cooling system installation or repair; window and door replacement; repair of structurally significant damaged wood; and floor coverings where they pose a hazard. All rehabilitated (meets the definition of substantial improvement), reconstruction or new construction must also adhere to the requirements of any applicable HOA Covenants, Conditions & restrictions.

4.7.2. Ineligible Activities
Ineligible activities consist of any unnecessary physical improvements, any repairs of a cosmetic nature, repairs to sheds, and repairs to garages or any structure not attached to the living unit. Free-standing appliances and luxury items are not permitted. Examples of luxury items are: swimming pools; decks, patios and patio covers; room additions; hot-tubs; fireplaces (unless they pose a hazard), custom cabinets; and high-end appliances. Upgrades such as granite counters, hardwood flooring, and stone finishes are not allowed unless costs for such materials are priced equal to or less than modest material finishes. Landscaping is also not allowed except to protect the structural viability of the house, such as for drainage, or if required by local ordinance. Items done for beautification or energy efficiency must be in conjunction with a repair required for health or safety reason.

Other ineligible activities include but are not limited to:

1. Increasing the number of units on a property;
2. Detached garages and other detached structures;
3. Luxury finishes (such as marble, stone, staining, hardwood, etc.);
4. Private road improvements; and
5. Garage Door Openers.

4.7.3. Resilient Home Construction Standards
All rehabilitated (meets the definition of substantial improvement), reconstruction or new construction must meet the Resilient Home Construction Standard set by the FORTIFIED HomeTM Silver Level for new construction or single family, detached homes. Resilient standards when incorporated will increase a home’s resilience to natural hazards, including high wind, hail, and tropical storms.
### 4.7.4. Green Building Standards

All rehabilitated (meets the definition of substantial improvement), 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 Multi-family 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. New construction in unincorporated Harris County must meet the City of Houston current energy code provisions, as amended.

### 4.7.5 Home Owner Association

All rehabilitated (meets the definition of substantial improvement), reconstruction or new construction must also adhere to the requirements of any applicable HOA Covenants, Conditions & Restrictions.

### 4.7.6 Asbestos Remediation

If asbestos is identified in the home during the rehabilitation process, construction work will be halted, and asbestos abatement will be conducted before work can continue. If asbestos is identified during the initial inspection, the cost of asbestos abatement will be included in the total estimate cost of rehabilitation to determine if the home will ultimately be rehabilitated or reconstructed under the thresholds included in these guidelines.

### 4.8. Accessibility Improvements

Properties occupied by a disabled or elderly household member(s) qualifies for services aimed at removing architectural barriers under this Program. Repairs or improvements increasing overall accessibility may be undertaken. Such repairs or improvements will comply and be inspected according to Texas Accessibility Standards found at [https://www.license.state.tx.us/ab/abtas.htm](https://www.license.state.tx.us/ab/abtas.htm).

Eligible accessibility improvements include but may not be limited to:

1. Grab bars
2. Transitional floor coverings
3. Zero entry showers with seats
4. Bathtubs with seats
5. Replacement of door knobs with lever action handles
6. Plumbing alteration or modifications
7. Ramps
8. Sliding doors
9. Kitchen cabinet modifications
10. Widening doorways and hallways
11. Electrical switches and convenience outlet relocation
12. Toilet alteration or modification

Reasonable accommodations will be made to meet homeowner needs based on the nexus between the homeowner’s disability and the improvement requested.
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.

4.8.1. **Visitability Checklist**

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

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

4.9. **Home Evaluation – Estimated Cost of Improvement**

The estimated cost of improvement provides an estimate of the basic costs for damages and help applicants return to a livable home. Estimates will be calculated using a current database for the area of concern and incorporates costs necessary to ensure that the construction activity meets the State's Uniform Construction Code – the International Residential Building Code. It does not provide an evaluation that considers an exact replacement of applicant's original home. In contrast to insurance estimates that may be based on replacement costs, the evaluation is based on basic livability standards developed for the program and on costs developed by the construction industry for Texas for those items. For example, while an insurance company may pay for the replacement of crystal chandeliers and granite countertops, CSD will compensate applicants for standard light fixtures and plastic laminate countertops. If an applicant has already begun or completed repairs, the estimated cost of damage will include the cost for the repairs based on the same basic livability standards for repairs that have not yet been completed.

Homes that are used for residential and commercial purposes are eligible for the program. The homeowner must provide their most recent tax return to determine the percent of the property that is used for commercial purposes. The damages to the commercial portion of the home will not be included in the estimate.

All property improvements must be for unmet housing needs resulting from an eligible disaster. Non-eligible disaster damage may only be addressed on structures that also have eligible disaster-related storm damage. Structures built prior to 1978 must be inspected for lead-based paint hazards. Where such hazards are detected, the homeowner(s) will be notified, and appropriate steps will be taken to mitigate dangers from lead-based paint.

The Harris County Appraisal District Web-site will be used to determine the value of the home at the time of the eligible disaster.
4.10. Harris County Advisory Services
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. Harris County maintains partnerships with local and community liaisons such as banks, counseling agencies, legal services, title companies, etc.

Harris County Case Managers and Advisory Services will work in collaboration to assist owners and displaced persons from inception to closeout of their recovery needs. Each applicant will be assigned a single point of contact with a case manager through eligibility and then will be assigned a single point of contact with a relocation advisor 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.

4.11. Temporary Relocation
Owner applicants who demonstrate financial need to temporarily relocate during the reconstruction process will be considered for temporary rental assistance on case-by-case basis.

Tenants of owner applicants who are displaced as a result of the owner’s participation in this Program will be provided relocation assistance in accordance with the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970, as amended. CSD has also created the Residential Anti-displacement Relocation Assistance Plan (RARAP) and a HAP Relocation Policy as part of its relocation process.

4.12. Case Management
Case management services will be provided to assist owners and renters whose homes were damaged by the eligible disaster. The program will provide LMI applicants with short-term financial assistance in the form of short-term mortgage, utility and/or rental assistance.

- Mortgage Assist Cap $10,000 (per LMI Family) up to 20 months
- Utility Assist Cap $1000 (per LMI Family) up to 3 months
- Rental Assist Cap $10,000 (per LMI Family) up to 6 months or for the duration of the rehabilitation or reconstruction activities

Short-Term Mortgage
Provide short-term mortgage assistance to LMI applicants of the HAP Program. The short-term mortgage assistance will deliver up to ten thousand dollars ($10,000) to assist low- to moderate-income households impacted by eligible disaster event with mortgage payments on their primary residence. Mortgage assistance may not exceed twenty (20) months. This program is intended to prevent foreclosure or predatory, low value buyouts of homes in the impacted areas and ensure that households can continue down the road to recovery without the imminent threat of homelessness. Applicants must demonstrate a financial need to prevent foreclosure of delinquency on current mortgage of their primary residence.

Utility Assistance
Provide utility assistance to LMI applicants of the HAP program. The utility assistance will provide up to one thousand dollars ($1,000) to assist low to moderate income households impacted by Hurricane Harvey to meet immediate utility needs. Utility assistance may include electricity, gas, water, and other utility bills and deposits. Assistance will be provided for current utility bills, future utility costs, and utility bills in arrears up to three (3) months.

**Rental Assistance**

Provide rental assistance to LMI applicants of the HAP program. The rental assistance will deliver up to ten thousand dollars ($10,000) to assist low- to moderate-income households impacted by eligible disaster with rental payments. Rental assistance will be allowed only during home repair or reconstruction for up to six (6) months or the duration of the rehabilitation or reconstruction. Only owners already displaced into a rental unit are eligible.

**5. Inputs Necessary for Calculation of Awards**

**5.1. Construction Bid Awards**

The bid amount is based upon the Home Evaluation work write-up estimate and Program Type. The amount of the bid is the basis for the award calculation. Owners, who can demonstrate ability to pay, may include upgrades in the work write-up. Upgrades are not included in the award calculation and must be paid by other funds.

**5.2. Duplication of Benefits**

The following are sources of funding assistance provided for structural damage and loss that are considered a duplication of benefits (DOB):

1. FEMA Individual Assistance (FEMA IA)
2. FEMA National Flood Insurance Programs (NFIP) insurance
3. Increased Cost of Compliance (ICC)
4. Private Insurance
5. Small Business Administration (SBA)

Under federal law DOB must be deducted from the Deferred Forgivable Promissory Note assistance amount: FEMA Individual Assistance (IA), FEMA National Flood Insurance Program (NFIP), Private Insurance, Increased Cost of Compliance (ICC), Small Business Administration (SBA) and other sources including nonprofit organizations and other private sector entities. Assistance received in the form of services instead of money, for home repairs from any source is not considered a duplication of benefits. Any additional duplication of benefits received by the applicant after the deferred forgivable promissory note is awarded must be applied to reduce the award amount. Funds received from any source including flood insurance, FEMA and hazard insurance that were used to cover repairs to the applicant's home do not reduce the amount of disaster assistance if the evidence of expenditures at least equals the amount of assistance from those sources and remaining repairs are needed and eligible. Documentation must be provided demonstrating the cost and type of repair conducted. CSD will conduct a work write-up that will inspect, confirm and estimate value of repairs based upon applicant's statement of repair work already completed. CSD will utilize GLO prescribed DOB forms including a No Insurance Affidavit as part of the DOB calculation process. The total DOB (difference between assistance already received minus expenditures) will equal the remaining gap. The GLO's DOB Calculation Form will be used to determine the total DOB amount. If the total previously awarded assistance...
is greater than or equal to the total expenditures, then a positive dollar amount will indicate a DOB. To reconcile the DOB amount owed, the applicant can pay DOB amount, or the applicant may be offered a reduction in the scope on the repair or replacement of their home’s nonessential components.

5.2.1. **FEMA Individual Assistance (FEMA IA)**
FEMA IA will be determined and verified by CSD through the FEMA database. If I-IDRP is unable to verify the FEMA IA amount through the FEMA database, CSD will use the payment amount provided by the applicant at the time of application. If an applicant is able to provide documentation demonstrating that the FEMA IA amount provided by the FEMA database includes amounts not paid for Repair, Replacement, or Permanent Housing Construction, CSD will use the documentation provided by the applicant to adjust the FEMA IA payout amount. The documentation provided by the applicant must come from FEMA.

5.2.2. **FEMA National Flood Insurance Programs (NFIP) Insurance**
Any payments for loss to the dwellings under NFIP insurance policies are deducted from the amount the applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant’s award.

The Payment to applicants under NFIP policies will be determined and verified by CSD through the FEMA database and cross referenced with GLO provided disks. If CSD is unable to verify the NFIP insurance proceeds through the NFIP database, CSD will use documentation supplied by the applicant. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the FEMA database includes items not covered in the home evaluation or not paid to cover structural loss, CSD will use the documentation provided by the applicant to adjust the insurance payout. The documentation provided by the applicant must come from the insurance company which issued the payments.

5.2.3. **Increased Cost of Compliance (ICC)**
The Program will determine duplication of benefits regarding ICC funds for elevation and/or demolition activities.

5.2.4. **Private Insurance**
All private insurance settlement amounts for loss to the structure of the home are deducted from the applicant’s award. Private insurance payments for contents or other expenses such as fences, storage sheds, etc., are not deducted from the applicant’s award.

Insurance proceeds are determined and verified by CSD through the applicant’s insurance settlement. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the insurance company includes items not covered in the home evaluation or not paid to cover structural loss, CSD may use the documentation provided by the applicant to adjust the private insurance DOB. Mold remediation is not included in the home evaluation. Therefore, insurance payments to cover mold remediation are not deducted from an applicant’s funding assistance award. The documentation provided by the applicant must come from the insurance company which issued the payments.

5.2.5. **Small Business Administration (SBA)**
Recent changes were published on February 9, 2019 in Public Law 115-123 that changes how specific HUD disaster programs (Floods in 2016 and Hurricane Harvey) are given new flexibility
to look at subsidized loans by SBA that are declined or cancelled. It states, “That with respect to any such duplication of benefits, the Secretary and any grantee under this section shall not take into consideration or reduce the amount provided to any applicant for assistance from the grantee where such applicant applied for and was approved, but declined assistance related to such major declared disasters that occurred in 2014, 2015, 2016, and 2017 from the Small Business Administration under section 7(b) of the Small Business Act (15 U.S.C. 636(b)).

HUD FR Vol 84 NO. 119 published on June 20, 2019 provides additional clarification. It states that, “Declined or cancelled subsidized loans. The amount of a subsidized loan that is declined or cancelled is not a DOB. To exclude declined or cancelled loan amounts from the DOB calculation, the grantee must document that all or a portion of the subsidized loan is cancelled or declined unless the loan qualifies under the exclusion discussed below.

Declined SBA Loans: Declined loan amounts are loan amounts that were approved or offered by a lender in response to a loan application, but were turned down by the applicant, meaning the applicant never signed loan documents to receive the loan proceeds. If a grantee's DOB policies and procedures treat declined loans as a DOB, the grantee must update its policies and procedures.

A grantee is only required to document declined loans if information available to the grantee (e.g., the data the grantee receives from FEMA, SBA, or other sources) indicates that the applicant received an offer for subsidized loan assistance, and the grantee is unable to determine from that available information that the applicant declined the loan. If the grantee is aware that the applicant received an offer of loan assistance and cannot ascertain from available data that the applicant declined the loan, the grantee must obtain a written certification from the applicant that the applicant did not accept the subsidized loan by signing loan documents and did not receive the loan.

Cancelled Loans: Cancelled loans are loans (or portions of loans) that were initially accepted, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The cancelled loan amount is the amount that is no longer available. The loan cancellation may be due to default of the borrower, agreement by both parties to cancel the undisbursed portion of the loan, or expiration of the term for which the loan was available for disbursement.

The following documentation is sufficient to demonstrate that any undisbursed portion of an accepted subsidized loan is cancelled and no longer available: (a) A written communication from the lender confirming that the loan has been cancelled and undisbursed amounts are no longer available to the applicant; or (b) a legally binding agreement between the CDBG–DR grantee (or local government or subrecipient administering the CDBG–DR assistance) and the applicant that indicates that the period of availability of the loan has passed and the applicant agrees not to take actions to reinstate the loan or draw any additional undisbursed loan amounts. The documentation described above must be maintained by the grantee. Without this documentation, any approved but undisbursed portion of a subsidized loan must be included in the grantee’s calculation of the total assistance amount unless another exception applies.

For cancelled SBA loans, the grantee must notify the SBA that the applicant has agreed to not take any actions to reinstate the cancelled loan or draw any additional undisbursed loan amounts.
5.3. Adjustments & Offset to the Amount of Assistance
Harris County will be providing qualified housing inspectors that will document all estimated costs of work completed and all remaining costs to repair the home to the Harris County Minimum Property Standards. The inspector will use Xactimate with the pre-approved bid costs from Harris County to determine all values. Receipts were no longer needed after December 6, 2019.

Applicants can provide documentation for allowable activities to off-set potential DOB. Allowable activities are temporary housing such as rent or hotel stays that occurred because of temporary displacement from their primary residence because of the eligible disaster. Eligible temporary displacement is from the time of the storm until the date of re-occupancy. Evacuation costs are not eligible for DOB Offset.

If an applicant was a victim of contractor fraud, the amount paid to the contractor may not be counted as a duplication of benefit. The applicant would have had to file a police report within six (6) months of the date of the application being submitted. If an applicant’s mortgage company placed a force payment on insurance proceeds, the insurance amount may not count as a duplication of benefits. The applicant would have to provide the document proving that the mortgage company did not release the insurance proceeds.

If a participant has an insurance case pending that is approved for payment to the participant after the assistance has been provided through the HCHAP, the insurance amount received will be calculated as part of the DOB and recaptured through the subrogation agreement.

6. Building Contractor, Procurement, & Selection Process
Before any Contractor is awarded a contract for reconstruction or rehabilitation work under the Homeowner Assistance Program, they must submit proposals to CSD under a formal procurement process.

In order to be eligible to participate in the construction work financed under this Program, contractors must meet the minimum requirements described below.

6.1. Procurement Process
CSD may opt to procure contractors for the rehabilitation and reconstruction services under a Request for Proposals process, which ensures that both qualifications and pricing are considered before the County enters into any agreements. Separate procurements will be conducted for rehabilitation and reconstruction, as the scope, expectations, and qualifications are different for each assistance type. CSD will follow all applicable federal (2 CFR 200.318–200.326) and local procurement requirements. CSD will incorporate GLO’s Procurement Checklist as part of its review of solicitations and contracts.

Once rehabilitation and reconstruction services have been procured, CSD may opt to award a pool of contractors under a Master Service Agreement (MSA), Blanket Purchase Agreement (BPA), Job Order Contract (JOC), or similar contract structure.

However, in order to award under these types of contracts structures, the following criteria shall be integrated into the solicitation:

1. State intention to award to multiple vendors under this type of award.
2. State intention to issue Task or Job Orders under the contract once awarded.
3. Specify the number or “up to” number of awards to be made and how work will be allocated among the vendors (i.e. up to 5 awards may be made).

4. Provide detailed possible scopes of work, which will demonstrate the typical expected scopes for rehabilitation or reconstruction work.

5. Include a minimum and maximum dollar value of the services to be awarded. Be sure to include relevant clauses that address various contract types (i.e., firm-fixed price, time & material/labor-hour, cost reimbursement) in the Master Service Agreement if the County anticipates the issuance of task orders.

6. List various types of services to be provided (ALL anticipated services and tasks must be included, such as possible “add-on” services like elevation). Additional services may not be added to a contract after award if they were not listed in the solicitation.

7. If multiple contracts are awarded, the County reserves the right to negotiate and award to a contractor which the County considers best equipped for the particular service, phase, area, and/or project. The County may award Task Orders on a rotating basis.

8. Document the selection process for the multiple-award contracts and any subsequent orders in the contract files.

9. Describe how the work will be assigned and awarded. The process cannot be left undefined.

10. Vendors will be invited to submit itemized and/or bulk pricing or submit a “Unit Price Book” for individual tasks or components of work.

11. Contracts may be awarded to contractors on a rotating basis.

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.

### 6.2. Contractor Eligibility Criteria

To be eligible for the HCHAP, the contractor must:

1. Not be debarred, suspended, or ineligible according to HUD’s "Consolidated List of Debarred, Suspended, and Ineligible Contractors"

2. Not be debarred by the state of Texas or the U.S. General Services Administration's “Consolidated List of Debarred, Suspended, and Ineligible Contractors”

3. Secure and maintain the following insurance, at a minimum:
   a. Workers’ Compensation:
      i. Statutory, and Bodily Injury by Accident: $100,000 each employee. Bodily Injury by Disease: $500,000 policy limit $100,000 each employee.
   b. Commercial General Liability:
      i. In the amount of $300,000 each occurrence, Limit Bodily Injury and Property Damage combined
      ii. $300,000 Products Completed Operations Aggregate Limit $500,000 Per Job Aggregate $300,000 Personal and Advertising Injury Limit.
   c. Automobile Liability Coverage
      i. $300,000 Combined Liability Limits. Bodily Injury and Property Damage Combined.
4. Include Harris County as a named insured on all policies of insurance and such policy shall provide that CSD be notified regarding renewal or cancellation;
5. Are registered to do business with the Texas Secretary of State;
6. Possess a Texas Sales & Use Tax permit from the Texas State Comptroller;
7. Participate in the Contractor’s Orientation Seminar outlining the procedures and guidelines that a Contractor must follow when participating in the HCHAP;
8. Maintain the necessary licenses and certifications for their trade;
9. Have both the financial capability and the staff to provide the services outlined in the contracts to which they are a party;
10. Be current on all Harris County property tax payments for property owned personally or through corporation, partnership, or joint venture; and
11. Agree to participate in an on-going evaluation and recertification process.

6.3. Disqualifying Contractors
A contractor will not be permitted to bid on any Harris County disaster recovery housing project unless they are eligible to do work with Harris County, the State of Texas, and are not debarred from working for the federal government. Reasons a contractor may be disqualified and ineligible for award under the rehabilitation or reconstruction programs may include, but are not limited to, the following:

1. Previous documented unsatisfactory workmanship
2. Previous documented untimely completion of work
3. Previous documented failure to provide or honor warranties
4. Previous documented use of unacceptable materials
5. Previous documented violation of any provision of a Contract
6. Being debarred from participating in federally funded projects
7. Being financially insolvent as determined by CSD or delinquent on Harris County real property taxes.

CSD may, at its sole discretion, prior to disqualifying a contractor, make some effort to resolve any problems through counseling and negotiations. If this option fails, the Contractor will be notified by the CSD Director that he/she is not eligible for award for reconstruction or rehabilitation projects under the Program.

6.4. Bid/Contractor Selection
Contract awards will be made only to eligible, qualified vendors following a formal procurement process. Awards will be made based upon qualifications, past experience, price, and/or to the vendor(s) whose offers are most advantageous to CSD. CSD will verify contractor eligibility prior to awarding any contract. The following information or documentation may be required from interested contractors during a formal procurement for rehabilitation or reconstruction services:

1. Management experience including similar project experience, use of local subcontractors, and use of MBE/WBE and Section 3 businesses and/or workforce.
2. Complete and submit the Contractor Qualification Application.
3. Submit a Financial Statement for the last twelve months (or from the creation of the business applying if less than 12 months prior to application submission).
4. Submit Bank Statements for the last two months.
5. References, including project references, credit references and public project references.
6. Capacity to complete the project including financial statement, revenue and capacity to perform.

7. Mandatory requirements such as bonding capacity and permits and certifications.

Consideration will be given to Minority-Owned Business Enterprises (MBE), Women-Owned Business Enterprises (WBE), Disadvantaged Business Enterprises (DBE), Historically Underutilized Businesses (HUBs), Low-income local workers (Section 3), and other locally owned businesses whenever possible.

6.5. Contract Award

Contract award is made based on the contractor’s pre-priced unit costs, bulk pricing, or task costs, which in some cases may be multiplied by the contractor’s coefficient if applicable (the numerical factor which will represent the contractor’s indirect costs such as overhead, mobilization, administration, and profit). Pricing must be firm-fixed price and cannot be changed and must reflect the executed contract costs. The issuance process will be as follows:

1. Whenever there is a rehabilitation contract opportunity, CSD or its authorized representative will inspect the properties to determine whether the property requires rehabilitation or reconstruction.
2. Upon determination of whether the property requires rehabilitation, CSD or its authorized representative will develop the scope, if applicable.
3. Once the properties have been inspected and the scope finalized, CSD will issue a job order or notice to proceed to the selected vendor(s).
4. Job orders may be awarded on a rotating basis within a pool of vendors.
5. Once CSD has provided a vendor with approval to proceed, the vendor must provide any applicable performance and/or payment bonds prior to beginning work.

The tables below show the required inspections for both rehabilitation and reconstruction projects:

<table>
<thead>
<tr>
<th>Project Type</th>
<th>50% Complete Inspection</th>
<th>Final Inspection</th>
<th>TREC/MPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation</td>
<td>YES</td>
<td>YES</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Demolition</th>
<th>50% Complete Inspection</th>
<th>Final Inspection</th>
<th>TREC/MPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconstruction</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Reconstruction projects may also be subject to ongoing monitoring inspections including, but not limited to the following:

- Foundation (includes elevation if needed)
- Roof on, exterior sheathed and dried in
- Insulation inspection prior to cover-ups
- Finishes completed, systems operating
6.6. Contractor Selection/Rotation Process for Job Order Contracts

Once Contractors have received a Master Services Agreement, Contractors will normally be selected for award of a Job Order Contract (JOC) on a rotating basis to perform the Work based upon labor and subcontracting capacity, availability, bonding capacity, performance, financial strength, history of work and claims, safety record, and any other relevant attributes. Details on Performance Requirements and Evaluation Criteria can be found below.

If a Contractor finishes ahead of schedule, they shall be eligible for award again. If a Contractor is next in the rotation but has not yet finished its last JOC, the Contractor shall be skipped and will be eligible for award once it has satisfactorily completed its existing JOC. If two or more contractors are available for a JOC, the County shall award as follows:

- Consideration shall first be made to each Contractor’s performance. The Contractor with better performance scores will receive the next JOC first.
  - If the Contractors in question have similar performance scores, the Contractor with the lower coefficient will receive the next JOC first.
  - If the Contractors in question have similar performance scores and similar coefficients, the Contractor with the higher bonding capacity will receive the next JOC first.
  - If the Contractors in question have similar performance scores, similar bonding capacity, and similar coefficients the contractor that demonstrates immediate capacity will receive the next JOC first.

6.7. Signing Event Documents

The following documents will be signed by the applicant at the time of agreement. The documents listed below are further explained in the signing event procedures and will be reviewed thoroughly with each homeowner prior to and at the signing event. At the signing event, eligible homeowners will execute documents including but not limited to:

1. Deferred Forgivable Note
2. Deferred Forgivable Note Principal Residency
3. Deferred Forgivable Not Principle Due on Sale
4. Limited Subrogation Agreement
5. Deed of Trust
6. Escrow Agreement
7. Construction Agreement
8. Hold Harmless Agreement

For rehabilitation awards the homeowner must provide proof of hazard and flood insurance and, where required, windstorm insurance on the property within 30 days of a signed Certificate of Final Inspection. CSD must be listed as an interested third party on the insurance policies.

For reconstruction awards the homeowner must provide proof of hazard and or flood and wind insurance on the property at the time of the signing event if the household income is above 80%
of the area median income. If the household is verified as low and moderate income, the program may provide the proof of insurance for the first year.

Failure to maintain hazard and or Texas windstorm insurance coverage may prohibit future disaster recovery assistance and failure to maintain flood insurance will prohibit the homeowner from receiving future disaster recovery assistance.

6.7.1. Unsecured Forgivable Promissory Note
The Homeowner must comply with the terms of the note as follows:

1. Rehabilitation or reconstruction assisted homeowners are required to maintain ownership of the assisted property for a minimum affordability period of at least 5 years.
2. Cash out refinancing, home equity loans, or any loans utilizing the assisted residence as collateral are not allowed for the 5-year period. A violation of this policy will activate the repayment terms of the Note.
3. Assisted homeowners are required to maintain principal residency in the assisted property for the required 5 years. A violation of this policy will activate the repayment terms of the Note.
4. 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 subrecipient.
5. Insurance must be maintained at the assisted property. Hazard, flood (if applicable), and windstorm (if applicable) will be monitored for the 5-year period.
6. Transfer notice of requirement to obtain and maintain flood insurance for property. Failure to do so shall deem the homeowner liable to reimburse Harris County for the relief assistance applied to the property. Evidence of this requirement must be maintained in disclosure documents by the homeowner.

6.8. Participant Preconstruction Requirements
Homeowners are responsible for movement or removal of items that will not be repaired and obstruct the contractor’s access to perform repairs. Debris removal and access are pre-construction requirements to program participation. Property owners will be required to clear the exterior and interior property site of all identified trash, debris, inoperable vehicles and derelict structures prior to receiving program assistance that obstruct or inhibit the contractor from performing repairs, including but not limited to the moving furniture, appliances, or other personal items. If the owner is elderly or handicapped and cannot physically clear the property or arrange for the removal of the debris, referral will be made for the homeowner to seek assistance from volunteer groups and non-profits. Failure to move items that obstruct a contractor’s ability to perform work within three (3) calendar days following the Notice to Proceed may lead to termination of assistance.
7. Close-out

All terms of contract and approved amendments thereto must be fulfilled before a project can be closed-out, and the contractor paid the final payment for services rendered. The Final Inspection in each case will require the presence of the Program Participant, the general contractor, and a Project Specialist from the CSD. Construction Close-Out Procedures will include the following steps:

7.1. Substantial Completion Inspection

(i) A review of each and every line item in the work write-up in order to ensure that no item was overlooked. Make a final determination of the quality of the work and if the project meets programmatic goals and requirements.

(ii) Emphasize to the Program Participant that any concerns about the repairs should be made at this time.

(iii) If the inspection reveals inferior work, or work that is not in compliance to specifications - formally notify the contractor of the findings in the form of a “Punch-Out List” of substandard work tasks.

(iv) A decision is reached on whether the Program Participant may be moved back into the home at this point by a consensus of the homeowner, contractor and Project Specialist.

7.2. Final Inspection/Project Acceptance

The project is ready for final acceptance when it is determined by the Harris County or it’s representative that the Contract has been fulfilled and that the Rehabilitation Project conforms to programmatic requirements.

(i) Submit to the Homeowner the manufacturer’s warranty documents for all mechanical appliances (heating systems, water heaters, etc.), copies of the final certificates for Plumbing, Electrical, Heating and termite treatment, if applicable.

(ii) Obtain the Homeowner’s signature on the “Homeowner’s Acceptance Form” and obtain Homeowner Satisfaction Survey.

(iii) Initiate procedures for the Final Payment.

(iv) Inform the homeowner of the contractor’s one (1) year warranty on workmanship

- All work performed by the contractor will be guaranteed for a period of 1 year. Such warranty will be stipulated in the construction contract between the contractor and the homeowner. For a period of 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.

- In addition to the 1-year warranty referenced above, for reconstructed homes, the contractor shall provide a third-party extended warranty that shall cover, at a minimum, the structural integrity and the foundation for a period of 10 years. HCCSD will inform the applicants at closing what the home warranty terms are and when they expire.

(v) Instruct the Program Participant that the Mechanic’s Lien Contract requires that the rehabilitated structure be maintained during the deferral period, and that the Grant Contract required the Participant to reoccupy the home, if the applicant had temporarily relocated.

(vi) Once a Participant has signed the “Homeowner’s Acceptance Form”, the Release of Lien Document and a Utilization of Subcontractor’s Form, the contractor will then be paid the ten percent (10%) retainage payment after (30 days), if applicable.

If a materialman’s lien or laborer’s lien is filed against a rehabilitated/reconstructed property because of non-payment of wages or material bills by the general contractor or a subcontractor, any remaining payments which includes the final installment payment for rehabilitation services rendered will not be paid until the lien is withdrawn. If the general contractor refuses to settle the matter with the laborer or materialman who filed the lien, the balance of the remaining payments/retained final payment will be utilized to pay for the unpaid services or materials, if the claim of the person filing the lien is found to be valid. The filing of a materialman’s lien or laborer’s lien may result in a contractor being temporarily or permanently denied participation in the Program.

8. Appeals

8.1. Grievance Policy/Procedure

Harris County is responsible for responding to complaints and appeals in a timely and professional manner. A grievance and appeals procedure will be afforded to applicants to provide a quick and efficient system for resolution of concerns or disputes that applicants may have with the procedures followed and services provided by Harris County. The appeals procedure will include both an informal and a written grievance process which may include but not be limited to informal hearings, third-party review and director approval. Harris County will keep a record of each complaint or appeal that it receives to include all communications and their resolutions. Complaints alleging violation of fair housing laws will be directed to the U.S. Department of Housing and Urban Development for immediate review (see Grievance and Appeals policy). Complaints regarding fraud, waste, or abuse of government funds will be forwarded to the HUD OIG Fraud Hotline (phone: 1–800–347–3735 or email: hotline@hudoig.gov). If an applicant disagrees with the county’s decision, he or she can appeal to the Texas GLO at 1–844–893–8937 or visiting https://recovery.texas.gov/individuals/contact/index.html.

8.1.1. Complaints and Appeals

Applicants and participants can submit Program complaints in writing, in person at HCCSD office located at 8410 Lantern Point Dr., or over the phone by calling 1-713-578-2000 or 832-927-4700. Program applications, forms, and letters will also include information for submitting complaints.
and appeals. Information on submitting complaints and appeals will also be made available on the Harris County Recovery website. When a complaint or appeal is received, a representative will respond to the complainant or appellant within fifteen (15) business days where practicable. For expediency, the Harris County shall utilize telephone communication as the primary method of contact; however, email and postmarked letters will be used as necessary.

8.1.2. Responsibilities
Harris County will identify staff within their program tasked with handling all applicant and participant inquiries.

These staff will be responsible for (1) determining whether or not complaints and appeals relate to the business or authority of Harris County, (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.

Harris County has a Grievance and Appeals policy that addresses handling incoming complaints, including a complaint escalation process in order to ensure that complaints are handled at the earliest stage in the process.

8.1.3. 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 Harris County 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.

9. Fair Housing and Affirmative Marketing

9.1. Fair Housing
CSD shall ensure that no person shall on the ground of race, color, national origin, religion, sex, sexual orientation, age, familial status, or disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or be denied access to the Program. Marketing will occur and referrals will be accepted through Harris County CSD in coordination with the Harris County Long Term Recovery Committee and local non-profit and community-based organizations. CSD will take additional measures to affirmatively market the CDBG Disaster Recovery Program, as follows:

1. When necessary, CSD will make the Program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), provide sign language assistance when requested, and provide special assistance for those who are visually impaired when requested.
2. CSD will provide reasonable accommodations as needed to make the Program accessible to people with disabilities.

3. CSD will retain documentation of all marketing measures used, including copies of all advertisements and announcements that will be available for public viewing upon request.

4. CSD will use the Fair Housing logo in advertising, post Fair Housing posters and related information, and, in general, inform the public of its rights and obligations under Fair Housing regulations.

5. Any ADA accessibility/mobility, septic/well work, and abatement related work will not be included as part of the assistance cap of $160,000.
   a. ADA accessibility and mobility assistance will be capped at $20,000
   b. Septic/well work will be capped at $30,000
   c. Abatement related work will be capped at $20,000

CSD will engage community members in areas throughout Harris County as well as those in potentially impacted, adjacent communities to gather stakeholder input, disseminate important program information, and to answer questions.

HCHAP information will be readily available and maintained on the Harris County Recovery website, [http://harriscoutry.org/](http://harriscoutry.org/).

Program information in the form of brochures will be available at public engagement, and community outreach events. Annually marketing material will be reviewed and updated as needed. All information will be published in common languages predominantly used in the service area and target communities and will comply with the CSD Limited English Proficiency (LEP) policy.

In addition to marketing through widely available media outlets, CSD will take additional measures to HCHAP as follows:

1. CSD will advertise with media outlets which provide unique access for persons who are considered members of a protected class under the Fair Housing Act.
2. Applications will be accepted in person in multiple locations throughout Harris County

In addition to marketing through widely available media outlets, efforts may be taken to affirmatively market the CDBG-DR Program as follows:

1. Advertise with the local media outlets, including newspapers and broadcast media, that provide unique access for persons who are considered members of a protected class under the Fair Housing Act;
2. Include flyers in utility and tax bills advertising the Program;
3. Reach out to public or non-profit organizations and hold/attend community meetings; and
4. Other forms of outreach tailored to reaching the eligible population, including door-to-door outreach, and on the weekends, if necessary.

Additional information can be found in the Community Engagement and Marketing Plan located on the HCCSD website at [www.harriscoutrycommunitycorner.org](http://www.harriscoutrycommunitycorner.org).
CSD will accept applications as follows:

1. In person during regular business hours at a CSD office
2. At client’s homes when necessary and requested
   
   Special arrangements will be made for individuals who have a disability, with special needs, language interpretation needs, or for persons needing alternate times and locations by calling 832-927-4961 (TTY 771) or emailing a request to rebuildharris@csd.hctx.net

10. Compliance and Monitoring

CSD will establish a monitoring/oversight protocol to ensure that HCHAP assistance is being provided to eligible owners, for eligible properties, and receiving the proper assistance amounts.

10.1. Conflict of Interest

Under the CDBG program regulations (24 CFR 570.611), in general no person who is an employee of the recipient (Harris County) who exercises any function, or decision-making responsibilities with respect to CDBG, or HOME funds may obtain a financial interest or benefit from these activities either for themselves or for those with whom they have immediate family ties.²

Exceptions to this rule are available, but only upon written review and approval by HUD, after public disclosure of the conflict is made and the County Attorney has ruled that this conflict does not violate local or state law. In general, CSD employees and immediate family members directly involved in the administration and operation of the HCHAP are not eligible to receive assistance from the Program.

Applicants who knowingly participate in the Program and receive benefit, and who have immediate familial ties to CSD employees shall be referred to the County Attorney for further action. Harris County employees employed outside of CSD that have no direct involvement with the HCHAP, and are not considered subject to the Conflict of Interest policy.

10.2. Section 3

Harris County will adhere to all Section 3 requirements and will perform regular monitoring of any required contractors and interlocal partners and their contractors through CSD’s Section 3 Coordinator.

10.3. Record Retention

The HCHAP will adhere to the stricter of retention policies of either Harris County, the State of Texas, or HUD for the use of CDBG-DR funds as required by the grant.

All official records on programs and individual activities shall be maintained for at least five-years beyond the closing of the grant between the GLO and HUD. Applicant records may be maintained electronically.

² 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 conflict of interest regulations at 24 CFR Sec. 570.489(b).
10.4. Project Closeout
Harris County CSD will ensure records are complete, that all affordability requirements are adhered to and that the county has performed all monitoring processes. The County will create project and grant closeout checklists that will be maintained with the project file.

Forgiveness of the loan provided will be prorated over the course of the affordability period. The proration percentage will depend on the length of time remaining in the affordability period, with 100% of the loan being forgiven and the lien satisfied at the termination of the 5-year affordability period. Should the homeowner use the property as collateral, sell, or otherwise convey their ownership interest in the property during the affordability period, the remaining prorated amount of assistance will become immediately due and payable. Harvey-damaged property inherited from a program participant will not be subject to the repayment requirements. The damaged property will continue its compliance period.

10.5. Anti-Fraud and Compliance Policies
Harris County will aggressively investigate all allegations of misconduct, fraud, waste or abuse regarding eligibility and the disbursement of award amounts to applicants. Information in both English and Spanish has been posted on the Harris County Recovers website.

10.6. Contact

Website:  www.harrisrecovery.org

Email:  rebuildharris@csd.hctx.net

Phone Number:  832-927-4961

The provisions of the guidebook may be amended or exceptions granted from time to time, as determined and approved in writing by the Director of the Harris County Community Services Department, by order of the Harris County Commissioners Court, and/or in accordance with the requirements dictated by the Texas General Land Office, or the U.S. Department of Housing and Urban Development. All changes and waiver requests will be submitted and approved by the GLO.