



## DR 24 Single Family Home Repair Program Guidelines

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## Table of Contents

Language and Disability Accommodations .....	7
Contact Us .....	7
Disclaimer.....	8
Program Summary .....	10
Program Administration .....	10
National Objective .....	10
Key Funding Objective .....	11
Program Objective .....	11
Type and Maximum Assistance.....	11
1    Period of Affordability .....	12
2    Recapture Policy.....	12
Activity Eligibility .....	13
1    Eligible Activities.....	13
2    Ineligible Activities .....	13
3    Cost Reasonableness.....	14
Applicant Eligibility .....	14
1    Eligible Applicants.....	14
2    Ineligible Applicants .....	19
Property Eligibility Requirements .....	20
Application Process .....	21
1    Application Access .....	21
2    Application Submission.....	21
3    Application Intake .....	22
4    Application Status.....	22
5    Communication Designee .....	22
6    Applicant Phases.....	23
7    Rehabilitation and Reconstruction.....	23
Duplication of Benefit Analysis .....	24
1    SBA Loans .....	25

2 Cancelled or Declined Subsidized Loans .....25

3 Subrogation and Assignment Agreement.....25

Applicant Program Withdrawal .....25

1 Voluntary Withdrawal .....25

2 Administrative Withdrawal .....26

Death of a Homeowner .....27

1 Before Construction .....27

2 During Construction .....27

3 After Construction.....28

Pre-Construction .....28

1 Payment of Utilities .....28

2 Mortgage Payment.....29

3 Flood Insurance .....29

4 Homeowners Insurance .....29

5 Initial Inspection/Damage Assessment .....30

6 Environmental Review .....30

7 Temporary Relocation Assistance Participation Terms .....31

8 Pre-Construction Conference .....31

During Construction .....32

1 Elevation Requirements.....32

2 Single Family Minimum Construction Standards .....32

3 Mitigation Requirements.....33

4 Green Building Standards .....33

5 HUD CPD Green Building Retrofit Standards .....34

6 Progress Inspections.....34

7 Change Orders .....34

After Construction .....35

1 Final Inspection .....35

2 Construction Close-out.....35

3 Certificate of Compliance and Owner Acceptance .....35

4 Warranty Periods .....36

5 Project Close-Out .....36

Program Compliance and Monitoring .....36

1 Monitoring .....36

2 Insurance Verification .....36

3 Payoff Statements .....36

4 Release of Liens.....37

5 Subordination Agreements .....37

Contractor Requirements.....37

1 Contractor Procurement .....37

2 Initial Contractor Assignment .....38

3 Assignment of Additional Projects .....38

Regulatory Considerations.....40

1 The Federal Privacy Act of 1974, as Amended .....40

2 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) .....41

3 Americans with Disabilities Act (ADA) .....41

4 Audit Requirements.....42

5 Affirmative Marketing and Outreach .....42

6 Limited English Proficiency.....43

7 Suspension and Debarment .....43

8 Environmental Review .....44

9 Renovation, Repair, and Painting Rule .....44

10 Asbestos .....44

11 Complaints .....44

12 Appeals.....45

13 Conflicts of Interest .....47

14 Fraud, Waste, and Abuse .....48

15 Davis-Bacon Labor Standards .....49

16 Equal Employment Opportunity .....49

17	Housing Discrimination .....	50
18	Fair Labor Standards Act .....	50
19	Financial Management .....	51
20	Minority- and/or Woman-Owned Business Enterprises .....	53
21	Section 3.....	54
22	Pay or Play .....	54
23	Residential Anti-Displacement .....	54
24	Insurance and Property Management.....	56
25	Record Keeping and Retention Requirements .....	56
26	Reporting.....	58
	Record Management.....	58
	Document Control.....	59
	Amendments .....	59
	Change Log .....	60
	Term Definitions.....	61
	Appendix.....	67

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## Language and Disability Accommodations

Every effort will be made to assist all Applicants. Upon request, program information, including application and supporting forms, will be available in the top six languages spoken in Houston (Spanish, Vietnamese, Chinese, Arabic, French, and Urdu), and other native languages. Applications will be offered in a manner consistent with Title VI of the Civil Rights Act of 1964 and its implementing regulations, such as U.S. Department of Housing and Urban Development (HUD) regulations per [24 CFR §5.502](#) and [§8.6](#), such as Title II of the Americans with Disabilities Act of 1990 (Pub. L. No. 101-336, 42 U.S.C. §§ 12101-12213)(ADA); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794)(Rehabilitation Act); and other related regulations and directives. To ensure effective communication, these statutes and regulations also require consideration of special populations including but not limited to persons with disabilities and persons with limited English proficiency (LEP) as outlined in the latest [City of Houston Administrative Procedure 2-11: Language Access](#) and other related regulations and directives.

Applicants who require an accommodation for language access (individuals who are non-English speaking or have limited English proficiency) or due to an impairment, or disability, may contact Program Staff at (832) 394-6200 or [singlefamilyeligibility@houstontx.gov](mailto:singlefamilyeligibility@houstontx.gov).

Examples of potential accommodation may include:

- Arranging for qualified American Sign Language interpreters;
- Providing on-site captioning and/or remote conference captioning services;
- Producing alternate formats of print materials in braille, large print, or in an electronic format; and/or
- Accessible electronic and information technology.

Upon receiving an accommodation request, the City may contact the Applicant to obtain additional information to better assess the need. The City will make a good-faith effort to accommodate all reasonable requests that allow the Applicant to effectively participate in the DR24 Single Family Home Repair Program (DR24 SF HRP).

## Contact Us

It is our mission to make participating in the Program as straightforward and expedient as possible while remaining fully compliant with the

conditions of this federal award. We welcome feedback from beneficiaries and the general public regarding how we can improve our service to Houstonians. We further encourage interested parties to reach out to their federal elected officials and provide feedback.

We welcome any questions or feedback regarding this document. To file a complaint or appeal, please refer to the respective sections [Complaints](#) or [Appeals](#) for instructions. To report potential fraud, waste, or abuse, please reference [Fraud, Waste, and Abuse](#) for instructions.

For all other inquiries, we can be reached at the following:

**Housing and Community Development Department**

2100 Travis St., 9th Floor

Houston, TX 77002

(832) 394-6200

[hcd@houstontx.gov](mailto:hcd@houstontx.gov)

## **Disclaimer**

These guidelines provide an overview of the DR24 SF HRP eligible activities and requirements, but they do not and are not intended to replace any existing guidance produced by HUD or an attorney. The information provided in this manual is not intended and does not constitute legal advice. Readers of this manual should contact their attorney to obtain advice with respect to any particular legal matter or question and compliance with applicable law. Information in these guidelines may not represent the most up-to-date legal or other information. These DR24 SF HRP guidelines are subordinate to federal statutes, the Code of Federal Regulations (CFR), HUD regulations and notices from HUD's Office of Community Planning and Development (CPD).

**Note:** *These guidelines contain links and references to third-party websites or other sources. Such links and references are for convenience only. The City does not necessarily endorse the contents of said third-party websites or sources*

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## **Program Summary**

On January 16, 2025, as announced in [Federal Register Notice 6512-N-01](#), HUD directly allocated \$314,645,000 in CDBG-DR funds to the City in response to the 2024 windstorm derecho (Derecho) and 2024 Hurricane Beryl to support long-term recovery efforts following these major disasters through the Office of the Assistant Secretary for Community Planning and Development, HUD.

The City has allocated \$50,000,000 in CDBG-DR24 funds to the DR24 SF HRP to meet the unmet needs of low- and moderate-income Homeowners for the Rehabilitation or reconstruction of their homes directly or indirectly impacted by the 2024 Derecho and/or 2024 Hurricane Beryl.

## **Program Administration**

The City will administer its DR24 SF HRP in accordance with these guidelines, the Stafford Act, amended, and its implementing regulations, the CDBG-DR Grant Agreement between the City and HUD (“Grant Agreement”) for the CDBG-DR24 funding (“Grant Funds”) Single Family Manual, HUD CDBG-DR24 Regulatory Requirements and Guidance, the HUD Universal Notice, and all applicable federal, state, and local statutes, regulations, ordinances, rules, and policies. Daily administration of the Home Repair Program will be under the direct supervision of the HCD Director, or his or her designee.

## **National Objective**

All activities funded through the DR24 SF HRP, unless the requirement is waived by HUD, are required to meet one of the three National Objectives. Pursuant to 42 USC § 5301(c) and 24 CFR § 570.208(a2) (Limited clientele activities), the Program activities will be carried out to meet the National Objective – benefitting low- and moderate-income persons, whose annual income does not exceed 80% of the median income for the area, as determined by HUD with adjustments for family size.

## Key Funding Objective

At least 70% of the City of Houston’s CDBG-DR24 funds must be spent benefitting low-and-moderate income (LMI) impacted residents.

## Program Objective

The DR24 SF HRP is intended to serve residents who have an unmet need related to the 2024 Derecho and/or 2024 Hurricane Beryl whose:

- Principal Residence was directly and/or indirectly impacted by the 2024 Derecho and/or 2024 Hurricane Beryl; and
- Principal Residence requires Rehabilitation or Reconstruction.

The DR24 SF HRP is not intended to serve residents who currently own other viable housing with the exception of residents who are renting an apartment or house due to the uninhabitability of their own home.

## Type and Maximum Assistance

The DR24 SF HRP provides an award to eligible households for home rehabilitation or reconstruction in the form of a 0% forgivable loan. Applicants must execute the Project Documents to receive the Forgivable Loan. This includes the Promissory Note, Deed of Trust, Tri-Party Agreement, Acceptance of Homeownership Certification, Subrogation Agreement, and any other applicable loan documents.

Type	Maximum Award Per Eligible Household
Rehabilitation	\$100,000
Reconstruction	\$300,000

For Rehabilitation, the total cost of repairs, including Change Orders (if any), cannot exceed \$100,000 unless authorized by the Director.

For Reconstruction, the total construction cost including Change Orders (if any), cannot exceed \$300,000 unless authorized by the Director.

Exception: This program will utilize Composite Pricing as the standard approach. Exceptions to Composite Pricing may be allowed with the Director’s approval, provided the additional costs are reasonable and do not exceed \$50,000. Such exceptions may include, but are not limited to,

unforeseen municipal requirements, Deed restrictions, or reasonable accommodations for persons with disabilities. Any additional costs exceeding \$50,000 must be presented to City Council for approval.

**1 Period of Affordability**

Homeowners eligible to receive rehabilitation or reconstruction assistance will be subject to occupancy requirements for the 3-year Period of Affordability. The amount of assistance is offered in a form of a 0% interest prorated-forgivable loan secured by a lien on the Property. The Forgivable Loan will be secured by a Deed of Trust executed by the homeowner(s) in favor of the City, granting a lien on the Property. The City will record the Deed of Trust in the Real Property Records.

During the 3-year Period of Affordability, forgiveness of the loan will be annually reduced on a prorated basis by one-third for each year the Homeowner continues to own and occupy the assisted Property as the Principal Residence. This percentage will occur each year on the anniversary date of the signed Acceptance Form with 100% of the loan being forgiven and the lien satisfied at the termination of the Period of Affordability.

The lien on the Property will be removed upon completion with the terms and conditions of all Project Documents and completion of the Period of Affordability if no Default has occurred.

<b>Period of Affordability Year</b>	<b>Percentage of Loan Forgiven Per Year</b>
Period of Affordability 1	33.33%
Period of Affordability 2	33.33%
Period of Affordability 3	33.34%

**2 Recapture Policy**

The City of Houston reserves the right to recapture the proceeds of the loan to the fullest extent of applicable law.

It will be considered a Default if a homeowner violates and/or fails to pay or perform in accordance with any term, condition, or covenant contained in the Project Documents, these guidelines, or any other documents signed by a homeowner pertaining to this Program, as more particularly described in the Project Documents.

If, without prior written consent from HCD, a Participant allows additional liens to be recorded against the Property, sells—or otherwise conveys their ownership interest in the Property—or ceases to use the Property as their Principal Residence during the Period of Affordability, the Participant will be

in Default. In such instances, the outstanding balance owed under the note will become immediately due and payable.

**Note:** *The calculated Default may, in HCD's sole discretion, also be reported to the credit bureaus and the Texas Office of Attorney General.*

## Activity Eligibility

### 1 Eligible Activities

General housing activities allowed—under applicable CDBG-DR regulations, Housing and Community Development Act (HCDA) Section [105\(a\)\(4\)](#), [105\(a\)\(11\)](#), and [24 CFR §570.202](#)—to be performed by this Program include, but are not limited to:

- Rehabilitation or reconstruction of an owner-occupied, single-family, detached unit;
- Mitigation measures; and
- Temporary relocation assistance.

### 2 Ineligible Activities

Ineligible activities include, but are not limited to:

- Forced mortgage payoff;
- Incentive payments to households that move to disaster-impacted Floodplains;
- Properties that served as secondary housing during or following the disaster;
- Properties located in a regulatory floodway; and
- Properties where both of the following criteria are met.
  - If the combined household income is greater than 80% of the Area Median Income (AMI) for the rehabilitation or reconstruction of a house; and
  - The Property is currently or was in a 100-year or 500-year Floodplain at the time of the disaster, and the property owner did not maintain flood insurance on the damaged Property even when the property owner was required to obtain and

maintain such insurance under applicable Federal law on such Property.

### **3 Cost Reasonableness**

Cost Reasonableness for this Program will adhere to 2 CFR § 200.404. The cost of rehabilitation or reconstruction activities must be:

- At or below the relevant maximum caps for each Program Pathway; and
- Reasonable and consistent with market costs at the time and place of construction.

## **Applicant Eligibility**

Applicant, Co-Applicant (if any)—including all adult Household Members—and Property must be deemed eligible to qualify for assistance in the Program. The Program may request additional documentation from Applicants to support eligibility at any time during the application and award process. Documentation may also be requested during the Period of Affordability.

***Note:** Eligibility determination is based on program requirements and the information and documentation collected from the Applicants at the time of eligibility analysis by the Program Staff, prior to an appeal.*

### **1 Eligible Applicants**

#### **(a) Proof of Identification**

Applicant, and Co-Applicant (if any) — including Household members 18 years of age or older — must provide valid photo identification (ID) that is current (not expired) for verification of the individual's identity.

Acceptable forms of ID include but are not limited to the following.

- State-issued driver license
- State-issued ID card
- U.S. Military ID

- Other official state or federal ID card
- Offender ID card issued by the TDCJ or an ID from a federal or U.S. state correctional facility for an incarcerated or recently released offender

HCDD will cross-check all applications and supporting eligibility documents to determine whether any document includes a name other than the one listed on the proof of ID provided. If alternate aliases occur, then the referenced household member must provide a signed name affidavit listing them.

**(b) Proof of Citizenship or Permanent Residency**

Applicant and any Co-Applicant must provide valid proof of legal status to be eligible for assistance<sup>1</sup>.

Acceptable documentation includes, but is not limited to:

- Birth certificate lawfully issued by a governmental entity in the U.S.
- Valid U.S. Passport book or passport card
- Certificate of Naturalization
- Certificate of Citizenship
- Permanent Resident Card (“Green Card”)

HCDD will use this information to verify legal status with the Systematic Alien Verification for Entitlements (SAVE) system<sup>2</sup>. If deemed necessary by SAVE, HCDD may require additional documentation to further verify legal status.

**(c) Legal Guardianship**

Household members including Applicant and any Co-Applicant 18 years of age and older must provide supporting documentation of legal guardianship for all minor Household Members at or under the age of 17, as applicable.

Acceptable documents include:

- Legal guardianship documents;

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<sup>1</sup> As outlined in [HUD Memorandum 25-03 revisions to 90 FR 1754](#)

<sup>2</sup> More information about SAVE documentation requirements can be found at <https://www.uscis.gov/save/current-user-agencies/commonly-used-immigration-documents>.

- Birth certificate listing the Applicant, Co-Applicant, and/or Household Member as the parent;
- A court-order guardianship, signed by a judge;
- A letter of guardianship, signed by a judge;
- Foster care order or adoption paperwork;
- Genetic test or acknowledgment of paternity; or
- Court order child support documents.

**(d) Income**

This Program will only serve households with annual total household income at or below 80% AMI, as published by HUD.

Program staff will use the “Part 5 Annual Income<sup>3</sup>” definition to calculate and verify the Applicant’s total household income for the purpose of determining eligibility.

The program staff will use HUD’s annually updated Houston-, Woodlands-, and Sugar Land, TX HUD Metro Fair Market Rate (FMR) Area dataset to determine income eligibility for the total household income.

Acceptable forms of income documentation include:

- 3 most recent paystubs;
- Latest month’s benefit statement;
- Recent 12 months of child support payments received;
- Form 1040 for self-employed; and/or
- Certification of Zero Income with Texas Workforce Commission printout and social security card.

**(e) Child Support**

Any Household Member, including Applicant and Co-Applicant (if applicable)—who is 18 years of age or older and is mandated by a court of law to provide child support payments must be:

- current on child support payments; or
- compliant with a court-approved child support payment plan, in good standing.

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<sup>3</sup> [24 CFR § 5.609](#)

An intake/eligibility specialist will verify child support payments by requesting a completed Child Support Affidavit. Additionally, the intake/eligibility specialist will verify child support payment status by requesting a Financial Activity Report from the Office of the Attorney General for Household Members up to 62 years of age.

**(f) Debt**

Neither Applicants nor any Co-Applicant(s) may have active Abstract(s) of Judgment filed against them at the time of award.

**(g) Principal Residence**

The Property must have been the Applicant's and any Co-Applicant's Principal Residence at the time of the 2024 Derecho and Hurricane Beryl (May 16-17, 2024, and July 7-9, 2024) and at the time of the award for rehabilitation or reconstruction is distributed, unless such damage resulting from the 2024 Derecho and Hurricane Beryl rendered the home uninhabitable.

**(h) Proof of Ownership**

Applicant and Co-Applicant (if any) must hold in fee simple title and occupy the damaged property to be eligible for assistance and provide documentation evidencing ownership interest in the property.

Proof of ownership will be verified either through a recorded Deed or, alternatively, another acceptable form of documentation that includes but is not limited to the following:

- Proof of Homestead Exemption
- Affidavit of Heirship
- Affidavit of Ownership (self-certification)

Applicants may also provide one or more alternate forms of ownership documentation for HCDD consideration on a case-by-case basis. Additional supporting documents will include, but are not limited to, the following.

- Mortgage documents
- Utility statements
- Receipts of major repairs completed prior to the disaster
- Court documents
- Property Taxes

- Private insurance policy showing as Principal Residence
- Affidavit of Facts
- Other documentation deemed acceptable by HCDD

If the Applicant acquired the Property as a successor in interest to the holder of a recorded title, and not through a Deed, the Applicant must provide an Affidavit of Heirship and present documentation in accordance with the [Texas Government Code § 2306.188](#), as amended. The Applicant may also provide evidence that the Applicant is listed as the Property owner in the records of the local appraisal district/tax office where the Property is located.

These requirements do not establish record ownership or alter legal ownership of real Property. The City is not liable to any claimed owner of an interest in real Property for administering financial assistance.

**(i) Estate Planning**

Participants must have a duly executed Transfer on Death Deed filed with the county clerk's office of the county where the Property is located. The Transfer on Death Deed must be compliant with applicable state law, including but not limited to Chapter 114 of the Texas Estates Code. Resources for creating a Transfer on Death Deed can be found from the [Texas Access to Justice Commission \(TAJC\)](#).

**Note:** *The City cannot provide legal assistance in creating a Transfer on Death Deed. Applicants may be eligible for free or low-cost legal assistance from non-profit legal firms that provide legal services to qualified persons in the Greater Houston Area.*

**(j) Liens**

Applicants and any Co-Applicant cannot have any Abstract of Judgment or liens other than a first-lien mortgage and/or a City-imposed lien against the Property at the time the award is distributed unless otherwise approved in writing by HCD.

**(k) Mortgages**

Applicants and any Co-Applicant(s) must be current on mortgage payments or current on an approved mortgage payment plan and have not declared bankruptcy in the 10 years prior to submitting their application to the Program or have a reverse mortgage.

**(l) Prior Claims and Insurance**

Applicants and any Co-Applicant must state if they have previously received federal disaster assistance and were required to maintain flood insurance as a condition. Supporting documentation will be required. Failure to maintain flood insurance when required to do so as a condition of receiving prior assistance may render the Applicant ineligible to participate in this Program.

**(m) Utilities**

Applicants and any Co-Applicant(s) must be current on all utility bills or on an approved payment plan that is in good standing. The amount of delinquency that is on an approved payment plan cannot exceed \$500.

**(n) Property Taxes**

All taxes levied on the Property must be paid, or the Applicant and any Co-Applicant must be current, deferred, or on an approved payment plan that is in good standing or have an exemption under current law. The amount of delinquency on an approved payment plan cannot exceed \$5,000.

**2 Ineligible Applicants**

Applicants may be deemed ineligible for any of the following reasons including but not limited to the following.

- Any Applicant (or Co-Applicant(s)) and Household members who are 18 years of age and older and are registered as sex offenders
- Any Applicants' total annual household income exceeds 80% AMI, as published by HUD
- Any Applicant or Co-Applicants (if any) who did not own and occupy the damaged Property as a Principal Residence at the time of the 2024 Derecho and Hurricane Beryl (May 16-17, 2024, and July 7-9, 2024, respectively)
- Any Applicant and/or Co-Applicant(s) including any Household members who are 18 years of age and older—fails to provide all required documentation
- Any Applicant, Co-Applicant, and household member who is 18 years of age and older knowingly provides false or misleading information or documentation

## Property Eligibility Requirements

The Property must be deemed eligible for rehabilitation or reconstruction activities by meeting the following requirements:

- Must be a traditional detached, stick-built, single-family dwelling;
- Must be located within the incorporated areas City of Houston;
- The Property sustained direct and/or indirect damage as a result of the 2024 Derecho Windstorm (May 16-17, 2024) and/or Hurricane Beryl (July 7-9, 2024);
- The Property is environmentally cleared by HCDD. Refer to the Environmental Review portion of the Crosscutting Federal Requirements; and
- If the Property that is Substantially damaged/substantially improved lies within the 100- or 500-year flood plain, then the Property must be elevated—in accordance with City of Houston Ordinance Chapter 19—with the total cost of repairs not exceeding the maximum program cap.
- The Property must be owner-occupied with no tenants/occupants renting their home; and
- The Property must be the Applicant and any Co-Applicant's Principal Residence.

### (a) Ineligible Property

The Property types listed below are not eligible for rehabilitation or reconstruction assistance under this Program. Ineligible properties include but are not limited to:

- Homes located in a floodway;
- Manufactured homes or mobile homes;
- Multifamily units (4-units or more);
- Townhomes;
- Condominiums;
- Rental properties; and
- Secondary/vacation homes.

## Application Process

The application period will be open to all interested parties at the same time. Applications are offered and processed in a manner consistent with federal, state, and local fair housing and civil rights laws and requirements<sup>4</sup>, including Chapter 17 of the City of Houston's Code of Ordinances and the latest [City of Houston's Title VI Policy Statement](#).

Applicants are informed, both, verbally and in writing during the application process that CDBG-DR funding, even after eligibility determination, is not guaranteed.

Applicants and any Co-Applicants (if applicable) must provide complete and accurate information regarding their Property including proof of ownership, household composition, total household income, and employment status via applicable documents submitted to HCDD.

**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.*

### 1 Application Access

Applications will be available on the [City's Disaster Recovery website](#), or it can be delivered to potential Applicants by mail, email, or in-person upon request.

HCDD program staff will solicit applications through targeted outreach by including advertisements in monthly water bills and at local community centers. The solicitation will provide details about DR24 SF HRP information, including dates, times, and locations for Applicants to obtain applications.

Instructions for completing the application, program overview, and eligibility will be provided on the HCDD website.

### 2 Application Submission

Applications and supporting documents may be submitted through the HCDD online portal, by mail, or email. Program intake/eligibility specialists may be available at the local Community Service Centers and HCDD office

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<sup>4</sup> 24 CFR § 8.6, Effective Communication Requirements

to assist potential Applicants with submitting applications via the HCDD portal by the Program staff.

Program intake/eligibility specialists are responsible for receiving applications and supplemental documentation. HCDD will not make an official eligibility determination on an application until all required information is received and reviewed.

### **3 Application Intake**

Applicants with a completed application received by the deadline will be eligible to be served in Round 1 on a first-come, first-served basis—in accordance with the assigned phases. Based on the availability of funding, subsequent rounds may be announced.

***Note:** Applications deemed incomplete by the eligibility specialist by the deadline but have since been completed may be served in a subsequent round on a first-come, first-served basis.*

Eligibility specialists will notify Applicants of any missing documents or information identified during the review process using a document checklist. Applicants are allotted 30 calendar days from the date of the written notice to submit any missing documents or information. If the Applicant has not submitted their missing documents or information required within the allotted timeframe mentioned above, the application will be withdrawn.

In an effort to reduce fraud, waste, and abuse, the Program staff will schedule an in-person or virtual meeting with all Applicants and any Co-Applicants who submitted their application and supporting documentation online to review and verify information and documentation.

### **4 Application Status**

An Applicant's status will be made available on the [City's Disaster Recovery 2024 website](#). Applicants can use their DR-24 number (unique program identification number) to check their status. The website will be updated at least weekly. Applicants can also check application status by contacting an eligibility specialist or contacting HCDD at 832-394-6200.

### **5 Communication Designee**

Applicants have the right to designate another individual to serve as their Communication Designee. The Communication Designee must be at least

18 years of age and mentally competent. This individual may assist the Applicant in completing the application and discuss program-related matters with the City on the Applicant's behalf. The Communication Designee form must be completed, notarized, and submitted to HCDD.

A Communication Designee may not sign any documents on behalf of the Applicant or Participant unless the Communication Designee has a written Power of Attorney (POA) form filed with the county clerk where the Property is located.

## **6 Applicant Phases**

Applicants who submit a complete application by the deadline will be assigned to a phase. Priority will be given to Applicants who are Elderly or have a Household Member with a disability. The following phases are:

**Phase 1:** Elderly (62 years or older) or disabled Household Member at or below 80% AMI; then

**Phase 2:** Households at or below 80% AMI.

## **7 Rehabilitation and Reconstruction**

Eligible projects will be initially evaluated to receive Rehabilitation; however, Applicants may be eligible for Reconstruction if the estimated cost to rehabilitate the Property:

- A. Exceeds more than 50% of the pre-storm fair market value; or
- B. Exceeds the maximum cap for rehabilitation of \$100,000; or
- C. If the Property is located within the 100-year or 500-year floodplain and does not meet the minimum finish-floor elevation (FFE), HCDD may choose to mitigate the Property out of the floodplain.

All Applicants may not meet the conditions for Reconstruction. The Program will not reconstruct the home if rehabilitation is feasible and compliant with program requirements.

For Rehabilitation, the total cost of repairs, including Change Orders (if any), cannot exceed \$100,000 unless authorized by the Director.

The maximum cap for Rehabilitation is \$100,000. the total construction cost, including Change Orders, if any, cannot exceed \$300,000 unless authorized by the Director.

**Note:** *This Program is voluntary. If a home is substantially damaged and the Applicant does not accept HCDD's recommendation for reconstruction, then the Applicant will be required to sign the voluntary withdrawal form and be administratively withdrawn from the Program.*

## **Duplication of Benefit Analysis**

In accordance with Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act of 1974, as amended (“the Stafford Act”), HCDD must conduct an individualized review of each Applicant to determine that amount of assistance that will not cause a Duplication of Benefits (DOB) by exceeding the unmet need of an Applicant. Federal law prohibits DOB to Applicants who may be able to receive (or have received) assistance from another party (e.g. private (homeowner) insurance or another federal or state program) for the same purpose.

HCDD will follow all applicable federal, state, and local laws, including but not limited to HCD DR 2024 Duplication of Benefits Policy and Single Family DR2024 Duplication of Benefits SOP when determining any DOB.

Each Applicant must attest to any assistance (e.g. cash awards, insurance proceeds, grants, and subsidized loans) received or available for eligible repairs. The amount of this assistance will be deducted from the total assistance determined by HCDD. The remainder (the “unmet need”) is the maximum allowable assistance under federal law.

To ensure compliance, HCDD will collect and analyze DOB information against third-party benefits received by Applicants. HCDD will compare Applicants’ information with data obtained from private insurance providers, the Small Business Administration (SBA), the Federal Emergency Management Agency (FEMA), and/or volunteer organizations (including in-kind assistance) to identify any benefits used for the same purpose as the HCDD award.

Applicants must certify that they understand this requirement as part of the contract documents with the City.

## **1 SBA Loans**

SBA disaster loans will be counted as a DOB, provided the assistance was used toward a loss suffered as a result of the 2024 Derecho and Hurricane Beryl.

Any portion of an SBA loan that is accepted (signed loan documents) and available for disbursement for the same purpose will be counted as a DOB.

## **2 Cancelled or Declined Subsidized Loans**

The amount of a Subsidized loan, including SBA loans, that is declined or cancelled is not a DOB. To exclude declined or cancelled SBA loan amounts from the DOB calculation, the Applicant must provide documentation to HCDD evidencing that all or a portion of the SBA loan was cancelled or declined.

The DR24 SF HRP will require documentation of cancelled or declined subsidized loans. For declined subsidized loans, written documentation from FEMA, SBA, or other sources, such as written communication from the lender stating that loan was cancelled or declined or written agreement between the City and Applicant indicating 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.

Applicants must notify the SBA and/or relevant financial institutions that they have agreed not to take any action to reinstate a cancelled loan or draw any additional undisbursed loan amounts.

## **3 Subrogation and Assignment Agreement**

All Applicants will be required to sign a Subrogation Agreement permitting the City to recover any duplicative assistance that may be issued to the Applicant after the time of original award if the payout is in connection with the 2024 Derecho and Hurricane Beryl and would have counted as a DOB.

# **Applicant Program Withdrawal**

## **1 Voluntary Withdrawal**

Participants can voluntarily withdraw from the Program at any time prior to the execution of the contract. Participants must provide a written notice via

email to [singlefamilyeligibility@houstontx.gov](mailto:singlefamilyeligibility@houstontx.gov) or by mail to the address below:

**City of Houston**

**Housing and Community Development Department**

2100 Travis St., 9th Floor, Houston TX 77002

Attn: 2024 Derecho and Hurricane Beryl Single Family HRP Intake Section

The written notice must include the Participant's name, Property address, and the reason(s) for withdrawing. HCDD will send a written acknowledgement of the Participant's voluntary withdrawal. Participants who voluntarily withdraw from the will not be eligible to be reinstated.

**2 Administrative Withdrawal**

An Applicant or Participant may be administratively withdrawn from the Program by HCDD for reasons that include but are not limited to, the following:

- Submitting an incomplete application;
- Failure to provide required supporting documentation by the Program's established deadline, after receiving a written request;
- Engaging in aggressive, disrespectful and/or abusive behavior towards HCDD employees or any other representative or affiliate of the Program;
- Knowingly providing misleading and/or false information;
- Failure to sign contract(s) within the specified, written deadline;
- Failure to vacate the Property before construction activity can begin;
- Inability to provide proof of ownership of the Property;
- Failure to provide proof of legal status in the United States;
- Failure to provide required estate planning documentation;
- Failure to maintain required insurance, if applicable; and/or
- Property is deemed ineligible under Program guidelines.

## Death of a Homeowner

### 1 Before Construction (Before Execution of the Tri-Party Agreement)

If a Homeowner receiving Rehabilitation or reconstruction assistance becomes deceased before the Tri-Party Agreement is executed and there is a Co-Participant, then the Co-Participant must continue obligations under the original terms of the Project Documents, as they may be amended, including any applicable P.

If a Homeowner receiving any Rehabilitation or reconstruction assistance becomes deceased before the Tri-Party Agreement is executed and there is not a Co-Participant, then the surviving heir(s) may apply to participate in the Program as a new Applicant in their own right by providing all required documentation.

### 2 During Construction (Between Execution of the Tri-Party Agreement and Execution of the Acceptance Form)

If a Homeowner receiving Rehabilitation or reconstruction assistance in the Program becomes deceased after the repairs have begun or during the Period of Affordability, and there is a Co-Participant, then the Co-Participant will continue the original terms of the Project Documents.

If there is no Co-Participant, then the surviving heirs can opt for one of the following options:

- **Payoff of the Forgivable Loan:** Surviving heirs can pay off the remaining loan amount according to the terms established in the Deed of Trust and Promissory Note, as may be modified by Change Orders or amended. If applicable a Release of Lien will be initiated by the City after the payoff is complete.
- **Assumption of the Forgivable Loan:** The surviving heir(s) can submit a request to HCCD that will allow surviving heirs, if HCCD determines they meet the Program eligibility requirements, to assume the original terms of the Forgivable Loan and reside in the home as their Principal Residence for the remainder of the Period of Affordability. The surviving heir(s) of the Property will be responsible for all insurance and maintenance on the Property at their own expense after construction is complete.

If the surviving heir(s) are unable or unwilling to elect either of the two foregoing options, then the City may foreclose on the Property and exercise any other remedies available at law or equity.

### **3 After Construction (After Execution of the Acceptance Form; During Period of Affordability)**

If a Homeowner receiving Rehabilitation or reconstruction assistance becomes deceased *after* the Acceptance Form is fully executed, but before the end of the applicable Period of Affordability, *and there is a Co-Participant*, then the Co-Participant must continue their obligations under the original terms of the Project Documents, as they may be amended, including the applicable Period of Affordability.

If a Homeowner receiving Rehabilitation or reconstruction assistance becomes deceased *after* the Acceptance Form is fully executed, but before the end of the applicable Period of Affordability, *and there is not a Co-Participant*, then the City may forgive the Forgivable Loan, or the heirs must continue the Homeowner's obligations during the Period of Affordability.

## **Pre-Construction**

This section contains information concerning the Program's operations before an eligible Property goes into construction. Participants will be held to certain responsibilities within this voluntary Program, including but not limited to:

- Payment of utilities
- Payment of mortgage
- Maintain flood and home insurance
- Preparing Property for repairs
- Attending Homeowner pre-construction conference
- Handling of insurance claim proceeds pursuant to requirements stated hereinbelow

### **1 Payment of Utilities**

Participants will be responsible for paying their utility bills (gas, electricity, water etc.), which must be current and remain current or on an approved payment plan until the Work has been completed. The amount of delinquency on an approved utility payment plan cannot exceed \$500.00.

## **2 Mortgage Payment**

Participants must remain current on their mortgage payments, if any. The City will not pay or compensate homeowners or lenders for any existing liens or mortgages on the Property.

## **3 Flood Insurance**

Flood insurance is required for assisted Property located within a 100- year Floodplain and strongly recommended for assisted Property located in a 500-year Floodplain in the amount and duration prescribed by FEMA's National Flood Insurance Program.

Failure to maintain flood insurance may negatively impact Participants' eligibility to participate in this and future Programs.

Participants who receive Rehabilitation or reconstruction assistance under this Program may be required to purchase flood insurance and are also statutorily required to provide written notification as part of the transfer of documents to any transferee or recipient of the assisted Property of the requirement to purchase and maintain flood insurance as well as the potential consequences regarding future disaster relief if the new owner fails to maintain flood insurance as required by federal law.

## **4 Homeowners Insurance**

Participants who receive Rehabilitation or reconstruction assistance are required to purchase and maintain homeowner's insurance ("Homeowner's Policy") for the duration of their Period of Affordability, if applicable.

If, during the Period of Affordability, the Participant receives insurance proceeds equal to fifty percent or more of the Property's value for disaster-related repairs, the City may monitor the progress and use of those repair funds. When appropriate, the City may also require that the insurance proceeds be deposited into an escrow account managed by the City or the senior lender. This ensures proper coordination of repairs, compliance with the Participant's subrogation obligations, and accurate adjustment of any duplication-of-benefits calculations.

Any proceeds from claims under the Homeowner's Policy made by the homeowner prior to the start of repairs by the City and not already used by the homeowner for repairs must be surrendered to the City by the homeowner.

## **5 Initial Inspection/Damage Assessment**

An HCDD inspector will conduct an initial inspection, (“Damage Assessment”), to evaluate the extent of damage to the Property and the option(s) available to the Participant. The Damage Assessment will occur after eligibility determination, but before any construction begins.

## **6 Environmental Review**

After an application has been preliminarily approved pursuant to the eligibility requirements of these guidelines, an environmental review will be performed at the City’s expense. The proposed project activities require an Environmental Assessment (EA) level of review per HUD regulations at [24 CFR § 58 Subpart E](#) unless otherwise described.

Where appropriate, the environmental review will be performed under a “broad tiered review”, as provided in [24 CFR § 58.15](#). A tiered approach allows the environmental review and analysis to be streamlined by evaluating the impacts of functionally and geographically aggregated activities and by assessing and ruling out certain environmental factors beforehand at a broad programmatic level. “Broad tiered reviews” enable the Program to obtain an Authority to use Grant Funds (AUGF) prior to the identification of specific properties. This approach allows Site-Specific Reviews (ERRs) for the identified properties, addressing factors that cannot be cleared at the broad level to proceed without requiring individual review by HUD.

The ERR is a separate and distinct review from any other review. Other previously performed (or Applicant-provided) environmental reviews will not satisfy the Program’s requirements. Only after the Broad Review and the site-specific checklist are both finalized and combined is the ERR considered complete. If an Applicant fails the environmental review, they will not be eligible to participate in this Program.

Part of the Environmental Review process will be to design and modify (as practicable) the preferred alternative to minimize and mitigate potential adverse impacts within the Federal Flood Risk Management Standard (FFRMS) floodplain. ERRs may indicate that mitigation measures are required to fully comply with all applicable regulations. Each project reviewed must comply with any and all applicable mitigation measures as a condition of federal funding. Documentation proving the completion of mitigation measures will be provided to the environmental team upon completion of the mitigation measure(s) by the Program for attaching to the ERR. This is required to complete the ERR and ensure compliance with HUD regulations under [24 CFR § 58](#).

The Environmental Review also covers factors including, but not limited to, contamination and toxic substances, noise, endangered species, historical (including American Indian/Native American Tribal lands), and wetlands.

## **7 Temporary Relocation Assistance Participation Terms**

In accordance with the Universal Notice ([90 FR 1754](#)), HCDD is committed to minimizing the displacement of persons resulting from activities under the DR24 SF HRP.

Temporary Relocation Assistance (TRA) will be provided based on the availability of CDBG-DR funds. TRA consists of moving and/or storage and temporary rental assistance for all eligible Participants who voluntarily choose to participate in the DR24 SF HRP through the Rehabilitation or Reconstruction pathways.

TRA will be administered in accordance with the Single Family Home Repair Program Optional Relocation Policy.

Although HCDD will minimize displacement, when TRA is required, HCDD will ensure accessibility needs of displaced persons with disabilities have reasonable accommodations. All eligible persons will be provided with TRA in a fair, consistent, and equitable manner consistent with URA requirements.

Participants are not required to move permanently but may need to temporarily move out of their home for up to 12 months while Rehabilitation or reconstruction work is completed. TRA will be discussed during intake/eligibility process and again at the pre-construction conference.

Participants who are receiving housing benefits (temporary housing, rental payments, or other assistance) through FEMA are not eligible for the TRA.

## **8 Pre-Construction Conference**

The mandatory pre-construction conference will be scheduled by HCDD. The assigned Contractor, HCDD inspector, and the Participant must attend the scheduled pre-construction conference at the Participants' Property. The purpose of this conference, without limitation, is to review and discuss pertinent information regarding construction, moving and storage, relocation, and other requirements.

## During Construction

### 1 Elevation Requirements

Per Part 55, residential buildings located in a floodplain and that are eligible to receive assistance for rehabilitation or reconstruction must be elevated to the following flood elevation standards per the City follows [Chapter 19](#) of the City's Code of Ordinance elevation requirements for the Houston Special Flood Hazard Areas (HSFHA). Chapter 19 defines the HSFHA as comprising both the 100-year and 500-year Floodplains that are defined by the federal government.

100-year Floodplain:

- Reconstructed or substantially rehabilitated residential buildings within the 100-year Floodplain must be elevated to the HSFHA standard of 500-year Floodplain elevation plus two feet, or at least three feet above the highest adjacent grade where the depth is not specified.

500-year Floodplain:

- Reconstructed or substantially rehabilitated residential buildings within the 500-year Floodplain must be elevated to the HSFHA standard of 500-year Floodplain elevation plus two feet, or at least three feet above the highest adjacent grade where the depth is not specified.

**Note:** *Properties located in a regulatory floodway<sup>5</sup> are not eligible for assistance.*

### 2 Single Family Minimum Construction Standards

In accordance with HCDD's Minimum Construction Standards for Rehabilitation, Reconstruction and New Construction for Single Family Residences (as amended), the Program will ensure construction requirements and standards on an assisted home address any immediate threat(s) to the life or health of residents in the home, in addition to, compliance with the most restrictive Floodplain mitigation standard, whether federal (i.e. HUD), state (i.e. General Land Office or TDHCA), or local (i.e. City of Houston Code of Ordinances, Chapter 19). The Program will also

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<sup>5</sup> <https://www.fema.gov/glossary/floodway>

ensure that the Property complies with the current building code adopted by the City of Houston, without exceeding the maximum assistance caps.

### **3 Mitigation Requirements**

HCDD will incorporate resiliency solutions designed to mitigate the impacts of future natural hazards into each single family project. These solutions may include but are not limited to elevating the first floor of habitable areas; installation of breakaway ground floor walls in flood-prone areas; use of reinforced and fortified roof systems; installation of Energy Star-rated appliances and fixtures; and use of mold- and mildew-resistant materials and products.

### **4 Green Building Standards**

HCDD follows federally required Green Building Standards when rehabbing or reconstructing a Property under this Program.

Residential buildings which are rehabilitated or reconstructed must meet the Green and Resilient Building Standard<sup>6</sup>, meaning the construction must meet an industry-recognized standard that has achieved certification under one or more of the following:

- Enterprise Green Communities;
- LEED (Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development);
- ICC-700 National Green Building Standard Green + Resilience;
- Living Building Challenge; or
- Any other equivalent comprehensive green building program acceptable to HUD.

Additionally, all such construction must achieve a minimum of one energy efficiency standard, such as:

- ENERGY STAR (Certified Homes);
- DOE Zero Energy Ready Home;
- EarthCraft House;
- Passive House Institute Passive Building or EnerPHit certification from the Passive House Institute US (PHIUS), International Passive House Association;
- Greenpoint Rated Existing Home (Whole House);
- Earth Advantage New Homes; or

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<sup>6</sup> 87 FR 3163

- Any other equivalent energy efficiency standard acceptable to HUD.

HCDD will identify, in each project file, which of these Green and Resilient Building Standards were applied for rehabilitated or reconstructed homes under this Program.

HCDD is not required to use the same standards for each home and may utilize any allowable standard at its sole discretion.

## **5 HUD CPD Green Building Retrofit Standards**

For rehabilitation that is non-substantially damaged, HCDD will follow the guidelines specified in the [HUD CPD Green Building Retrofit Checklist](#).

The HUD CPD Green Building Retrofit Checklist will be applied to the extent applicable for the rehabilitation work undertaken, for example, the use of mold resistant products when replacing surfaces such as drywall. Products and appliances replaced as part of the rehabilitation work must be ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)-designated products or appliances.

## **6 Progress Inspections**

HCDD inspectors will periodically inspect the progress of on-going construction on properties assisted by this Program. The purpose of these inspections is to ensure timely and satisfactory completion of orders given to the assigned Contractor(s). Such inspections may be with or without notice. The Participant will receive timely updates about the inspection progress throughout the process.

## **7 Change Orders**

The total cost of repairs, including Change Orders as a result of any unforeseen condition, cannot cause the total cost of repairs to exceed \$100,000 for Rehabilitation and \$300,000 for Reconstruction and unless authorized by the Director.

Exception: This program will utilize Composite Pricing as the standard approach. Exceptions to Composite Pricing may be allowed with the Director's approval, provided the additional costs are reasonable and do not exceed \$50,000. Such exceptions may include, but are not limited to, unforeseen municipal requirements, Deed restrictions, or reasonable

accommodations for persons with disabilities. Any additional costs exceeding \$50,000 must be presented to City Council for approval.

## **After Construction**

### **1 Final Inspection**

An HCDD inspector must conduct a final inspection of each Rehabilitation or reconstruction assisted Property to identify any deficiencies in order for the project in question to be closed out in accordance with paragraph 9 below, the deficiencies must be corrected before the home is returned to the Homeowner.

### **2 Construction Close-out**

Construction close-out occurs upon completion of the required Rehabilitation or reconstruction scope of work, punch list work and final walk-through inspection. This process will identify any work deficiencies and allow for corrections to be made prior to handing the key back to the Homeowner. The Homeowner will be presented with the final walk-through inspection checklist, Acceptance Form (for Homeowner's signature) and all warranty documentation once HCDD has ensured the work is complete.

### **3 Certificate of Compliance and Owner Acceptance**

At the completion of the project, a Certificate of Compliance (COC) will be obtained by the Contractor as proof of a satisfactory completion of the home. All COC, warranties, and other final documents will be provided to the Homeowner, and a copy will be provided to the City upon completion of the work. The warranty will begin once the Homeowner signs the Acceptance form.

To protect Program Participants from contractor fraud, poor-quality workmanship, or related issues, the Program will establish and implement mechanisms to ensure accountability and provide assistance to Homeowners in resolving construction-related disputes. Should a Program participant discover construction fraud, they are encouraged to report using the process described in section 31, [Fraud, Waste, and Abuse](#), hereinbelow. Should a Program Participant want to lodge a complaint they are encouraged to submit a complaint using the process described in section 28, [Complaints](#) and [Appeals](#), hereinbelow.

#### **4 Warranty Periods**

1. Rehabilitated homes outside of a reconstruct will have a warranty period of 2-year workmanship, 2-year mechanical and a 10-year structural warranty on all items repaired or replaced, such warranty to be provided by the builder.
2. Reconstructed homes will have a warranty period of 2-year workmanship, 2-year mechanical and a 10-year structural warranty., such warranty to be provided by the builder.

HCDD will make every reasonable effort to issue warranty expiration reminders to Homeowners via email and certified mail one month prior to the 2-year and 10-year warranty expiration dates.

#### **5 Project Close-Out**

Project Close-out occurs upon verification that all required Project Documents related to intake, contracts, construction and Contractor payments and invoicing have been uploaded to HCCD system of record i.e., OnBase, and release of retainage fee.

### **Program Compliance and Monitoring**

#### **1 Monitoring**

HCDD Single Family Loan Section will monitor Homeowners throughout the Period of Affordability in order to ensure compliance with the homeowner's obligations under this program, including but not limited to affordability compliance, insurance verification, and other items listed herein.

#### **2 Insurance Verification**

Monitoring staff will ensure that Homeowners who are required to purchase and maintain private insurance of one or more applicable types (flood, homeowner's, hazard, etc.) are compliant.

#### **3 Payoff Statements**

A Homeowner who opts to repay the loan or is required to repay the loan and does so, the HCDD Single Family Loan Servicing Section will provide written confirmation that the Homeowner has repaid the loan.

#### **4 Release of Liens**

Upon completion of the Period of Affordability, or if the Homeowner voluntarily pays off the loan, HCDD will release the lien (consider the loan as forgiven) and provide the Homeowner and any other necessary parties with written acknowledgment of the release.

#### **5 Subordination Agreements**

Homeowners may submit a Subordination Agreement Request if:

- Changing Terms of a mortgage
- Refinancing (no cash out)

**Note:** HCDD does not subordinate to Home Equity (cash-out) refinance loans only rate and term refinance loans

### **Contractor Requirements**

#### **1 Contractor Procurement**

The DR24 SF HRP may use for-profit general contractors and/or non-profit organizations to complete the work. The general contractors and non-profit organizations will be procured through the City's Strategic Procurement Division. All procurement transactions will be conducted in a manner that provides full and open competition consistent with applicable state, local, and federal law, including but not limited to [2 CFR §200.319](#) and [2 CFR §200.320](#).

Prior to procuring a Contractor, HCDD staff will estimate the cost of Rehabilitation and Reconstruction to establish the reasonable cost of the scope of work in compliance with [2 CFR § 200.324](#). General Contractors and non-profit organizations will be evaluated, selected and assigned work based upon their financial capacity, ability to complete the work within scheduled timeframes, ability to construct with minimal corrections and the cost reasonableness of their bid.

## **2 Initial Contractor Assignment**

For the initial round of Project assignments under a specific Request for Proposal (RFP), HCDD will assign one Project per Contractor.

## **3 Assignment of Additional Projects**

To assign additional Projects, HCDD may use, under the Director's sole discretion, either: (1) the standard bid award method, described in subsection (a) hereinbelow, in which DR24 SF HRP Contractors to bid on Projects, or (2) the Contractor assignment method, using Composite Pricing, described in subsection (b) hereinbelow, to assign Projects to Contractors for the Program without requiring a separate bidding process for each Project.

### **(a) Bid Award Method**

Contractors bid on a Project and the City selects the lowest, most responsible and responsive bidder, generating a bid-dependent Project price/contract value.

### **(b) Contractor Assignment Method**

The Contractor Assignment method involves four steps:

1. Damage Assessment: City conducts a Damage Assessment to develop a Scope of Work for the Project.
2. Composite Pricing: City applies the Composite Pricing to the Scope of Work in order to generate a Project price/contract value.
3. Pre-Construction Conference: City (i.e., the HCDD inspector) and Project-awarded Contractor conduct a Pre-Construction Conference ("walk-through") with the Homeowner (and Co-Participant, if applicable) to confirm the Scope of Work. Should this step yield changes to the Scope of Work, the Composite Price List is used to update the Project price/contract value.
4. Performance Evaluation: HCDD will evaluate the Contractors according to the criteria set forth in the Project Documents and these guidelines using the Single Family Contractor Scorecard (See [Appendix](#)) for each Project to track, evaluate, and grade Contractor's actual performance in completing specific measurable activities in a timely and

satisfactory manner, including, but not limited to, schedule adherence, scope management, communication, inspections, punch list items, program standards, and Homeowner satisfaction.

HCDD's evaluation of the Contractor Scorecard results and the Contractor's capacity will determine the extent to which a Contractor will be assigned additional Projects, if any. Additional Projects will be assigned only to Contractors that demonstrate continued compliance with the City's procurement and contracting standards, which include, but are not limited to, insurance standards, ethical statements, federal requirements, and all other obligations detailed by the guidelines and the Project Documents.

Under the Contractor assignment methodology, Composite Pricing is used to ensure accurate cost estimates and transparent construction pricing. HCDD will prioritize using Xactimate, the preferred estimating software used by insurance adjusters, construction professionals and disaster recovery programs nationwide, to obtain cost estimates, but if using Xactimate is impracticable, HCDD may use another industry-accepted pricing software.

Implementation of a standardized pricing methodology for construction costs and activities will ensure consistency in estimating material, assembly selection, unified costs and specifications for all projects within the Program.

Composite Pricing will apply an approved percentage for Contractor overhead and profit as well as material and labor costs for all line items listed in the scopes of work.

The Director reserves the right to adjust Composite Pricing amounts. Such adjustments may be made based on changes in the market conditions, cost of labor, materials, or other factors that impact the cost of performance. Any adjustment must be by written notice to the Contractor at least 30 calendar days prior to the effective date of any change in Composite Pricing amounts. The notice must specify the nature of the adjustment, including a detailed explanation of the reasons for the change and the new Composite Pricing amounts. In the event the Contractor disagrees with the adjustment, the Contractor must follow the dispute resolution process outlined in its Master Contractor Agreement with the City. Upon the expiration of the 30-day

notice period, the revised Composite Pricing amounts will become effective, and the Contractor must adjust their performance and invoice accordingly. The Director's decision regarding the adjustment of Composite Pricing amounts will be final.

## **Regulatory Considerations**

### **1 The Federal Privacy Act of 1974, as Amended<sup>7</sup>**

The amended Federal Privacy Act of 1974 provides for confidentiality and the restriction of disclosing confidential and personal information. Unauthorized disclosure of such personal information may result in personal liability with civil and criminal penalties. The data collected from Applicants for HCDD programs and services may contain personal information on individuals that is covered by the Federal Privacy Act of 1974, as well as applicable state laws. The information collected may only be used for limited official purposes:

- Program staff may use personal information throughout the award process to ensure compliance with Program requirements, reduce errors, and mitigate fraud and abuse.
- Independent auditors, when hired by the City to perform a financial or programmatic audit of the Program, may use personal information in determining Program compliance with all applicable HUD and federal regulations, including the Stafford Act, HUD program requirements, and State and local law.
- HCDD may disclose personal information on an Applicant to those with official Power of Attorney for the Applicant or for whom the Applicant has provided written consent to do so. See section on Communication Designees.
- Organizations assisting HCDD in executing the Programs must comply with all federal and state law enforcement and auditing requests, including, but not limited to, requests from HUD, FEMA, FBI, GLO, Office of the State

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<sup>7</sup> The Federal Privacy Act of 1974, as Amended ([5 USC § 552a](#), [2 CFR § 200.303\(e\)](#))

and City Comptroller, and the Office of Inspector Generals.

Per HCDD Personally Identifiable Policy #01-41, HCDD is committed to protecting the privacy of all individual stakeholders, including the public and those individuals working on the Program. The HCDD policies describe how information is to be handled and protected. The purpose of this privacy policy is to establish when and under what conditions certain information relating to individuals may be disclosed.

## **2 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8 U.S.C. 1601-1646) (PRWORA) prohibits the use of CDBG-DR funds in a manner that by design or effect facilitates the subsidization or promotion of illegal immigration or abets policies that seek to shield illegal aliens from deportation. Subject to the exceptions provided by the PRWORA, the recipient must use Systematic Alien Verification for Entitlements (SAVE) program, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.

## **3 Americans with Disabilities Act (ADA)**

The Americans with Disabilities Act of 1990 (ADA) prohibits discrimination and protects equal opportunity for persons with disabilities in employment, state and local government services, public accommodations, commercial facilities, and transportation. It also mandates the use of telecommunications devices for the deaf (TDD) relay services. HCDD takes affirmative steps to ensure that people with disabilities have equal access to the programs offered by HCDD. Any services offered by HCDD are delivered in the most integrated manner possible with services for persons without disabilities.

HCDD takes the requirements of ADA seriously and requires that subrecipients, vendors, Contractors, and developers adhere to the requirements of ADA to the fullest legal extent.

Applicants and Participants who believe they may have been discriminated against can file a complaint with the U.S. Department of Housing and Urban Development at the following link:

[https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/online-complaint](https://www.hud.gov/program_offices/fair_housing_equal_opp/online-complaint).

Complainants can also file a complaint with HCDD. Please see Section 28, [Complaints](#), for information on how to file a complaint or appeal with HCDD.

#### **4 Audit Requirements**

This Program is subject to audit at the federal and local level. The U.S. Department of Housing and Urban Development (HUD), HUD's Office of Inspector General, the U.S. Government Accountability Office (GAO), and the City of Houston's Finance Department (typically via a contracted third party) all have the authority to audit this Program. All auditors are independent of HCDD and report either to their respective authorities at the federal level or to the Mayor of Houston.

In accordance with [Subpart F of 2 CFR § 200](#), non-federal entities that expend \$1,000,000 or more during their fiscal year in federal awards must have a single or program-specific audit conducted for that year. HCDD is responsible for conducting reviews of these single or program-specific audit reports and for coordinating the issuance of management decisions for audit findings relating to HCDD-provided federal CDBG-DR funds.

#### **5 Affirmative Marketing and Outreach**

The City, through HCDD, is committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts will include the development of an Affirmative Marketing & Outreach Plan based on HUD regulations. The City and all recipients of CDBG-DR funds shall comply with 90 FR 1754 (III.A.2.a., "Fair housing and civil rights policies and procedures") and 24 CFR § 570.601 (Public Laws 88-352 and 90-284; affirmatively furthering fair housing; Executive Order 11063).

HCDD will perform outreach activities in targeted areas to advertise the Program and encourage potential Applicants to apply for assistance. Methods of outreach may include, but are not limited to, advertising on social media or other media outlets, newsletters, brochures, HCDD website, and/or community events, email or other electronic blasts, press releases/statements, public meetings/hearings, and partner events. HCDD will ensure that outreach and communication activities reach eligible Homeowners from all racial, ethnic, national origin, religious, familial status, disabled, and gender groups. Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request

## **6 Limited English Proficiency**

[Federal Executive Order 131661](#) and Title VI of the Civil Rights Act of 1964 requires HCDD and all satellite offices, programs, subrecipients, Contractors, subcontractors, and/or developers funded in whole or in part with federal CDBG-DR funds to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP) and/or hearing impairment.

HCDD ensures fair access through the implementation of a Language Assistance Plan (LAP), which includes non-English-based outreach, translation services of vital documents, free language assistance services, and staff training. Refer to the “Language Assistance Plan” Provision of Language Assistance Services for additional guidance and protocols.

Federal law prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent directives, circulars, policies, memoranda, and/or guidance documents. The Supreme Court has held “national origin” to include individuals who, because of national origin, have Limited English Proficiency (“LEP”) (*Lau v. Nichols*, 414 U.S. 563 (1974)). Denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury’s implementing regulations. Accordingly, the City will initiate reasonable steps, or comply with the Department of the Treasury’s directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the City’s programs, services, and activities.

## **7 Suspension and Debarment**

HCDD will comply with Suspension and Debarment Executive Order [12549](#) and [12689](#) that prohibits an entity that has been debarred, suspended, or otherwise excluded or deemed ineligible from participating in federal programs or activities. Any entity seeking federal CDBG-DR funds received by HCDD will undergo a debarment verification. Entities that are determined to be debarred, suspended, or otherwise excluded will not be eligible to receive federal CDBG-DR funds from HCDD in accordance with the Executive Orders, [2 CFR § 180](#), [2 CFR § 2424](#), and the HCDD Debarment Verification Policy and Procedure #01-14.

## **8 Environmental Review**

Environmental Review provisions require all federally funded projects or activities, funded in whole or in part, to undergo an environmental review to determine its potential environmental impact and health impact to the end user, and if it meets the applicable federal, state, and local environmental standards as required by HUD. In compliance with [24 CFR § 58](#), HCDD will conduct an environmental review prior to awarding any federal CDBG-DR funds for all projects or activities as outlined in the latest HCDD procedure #21-16 Environmental Review SOP. If the City is the responsibility entity, it assumes full responsibility for environmental review, decision-making, and actions under 24 CFR 55.84 and 570.604.

## **9 Renovation, Repair, and Painting Rule**

HCDD complies with the United States Environmental Protection Agency's ("EPA") 2008 Lead-Based Paint Renovation, Repair, and Painting Rule that requires Contractors performing renovation, repair, and painting projects that disturb lead-based paint in homes, child-care facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination. The EPA requires anyone performing renovation, repair, and painting projects that disturb lead-based paint in pre-1978 homes, child-care facilities, and schools to be an EPA-certified renovator and follow lead-safe work practices. This Rule also requires Contractors performing the type of work aforementioned to provide owners and occupants of child-care facilities and to parents and guardians of children under that age of 6 that attend child-care facilities built prior to 1978 the lead hazard information pamphlet "Renovate Right: Important Lead Hazard Information for Families, Child Care providers, and Schools." Under the Rule Child Care Facilities are defined as residential, public or commercial buildings where children under the age of 6 are present on a regular basis.

## **10 Asbestos**

All Rehabilitation and Reconstruction must consider potential asbestos in Property and mitigate and/or remove where needed per applicable federal, state, and local requirements.

## **11 Complaints**

HCDD welcomes feedback and complaints from any member of the public. Complaints are accepted in writing or over the telephone. Complaints will be responded to in writing within 15 business days, as practicable.

City of Houston Housing and Community Development Department  
ATTN: Complaints and Appeals  
2100 Travis Street, 9<sup>th</sup> Floor  
Houston, TX 77002  
Phone: 832-394-6200 ext. 8  
Email: [hcddcomplaintsappeal@houstontx.gov](mailto:hcddcomplaintsappeal@houstontx.gov)

**Business Hours:** Monday – Friday, 8:00 AM – 5:00 PM

For more information, please refer to the HCDD website, [www.houstontx.gov/housing/complaints.html](http://www.houstontx.gov/housing/complaints.html).

In addition, City Council Public Sessions are typically held every Wednesday. HCD City Council Liaison will refer to the Complaints and Appeals team members who respond to any public speakers who express complaints regarding HCD operations.

## **12 Appeals**

All Program Applicants have the right to appeal a determination made by HCDD. Applicants have the right to appeal decisions made on their Program file based on the following reasons:

- Denied services through any of HCDD's programs
- Program eligibility determination

**Note:** *An appeal related to eligibility determination will be based on the program requirements and information and supporting documentation submitted by the Applicant at the time the application was processed by the Program staff.*

- Program award calculation
- Procedural errors where the application was not processed by Program staff in accordance with the Program guidelines.
- Affirmatively Furthering Fair Housing

Appeal requests are accepted in writing via email at [HCDDComplaintsAppeal@houstontx.gov](mailto:HCDDComplaintsAppeal@houstontx.gov), mailed or delivered letter, online Appeal Request form, or using the paper form at the HCDD office.

Appeal Requests must be submitted within 30 calendar days of the notice of determination. To be considered complete, an appeal request must contain the following information:

- Name
- Property Address
- Mailing Address (if different from Property Address)
- Phone
- Application number (if applicable)
- Email Address
- Reason for Appeal (consistent with the reasons listed above)

**(a) Appeal Review**

Tier 1 Appeals are the initial determination appeals, in which the program area will review all documentation submitted and either reiterate the initial determination or approve your appeal and overturn the determination. Appeals will be responded to in writing within 30 calendar days. When a Program Applicant does not agree with the decision made in the initial appeal, Program Applicants have the right to request a Tier 2 Appeal. If the request is approved, the Appeals Review Committee (ARC) will review all documentation and the supporting documents you send to support your appeal and make a final decision.

The appellant may only escalate the appeal after the completion of the initial program area process. The ARC will process the escalated appeal within 30 days, as practicable. The ARC will transmit its decision to the appellant in writing.

**Note:** *The appellant may only escalate an appeal after completing the preceding Appeal. Additionally, the reason for the Tier 2 appeal must be for the same reason for the Tier 1 Appeal.*

HCDD will keep a record of each appeal that it receives and include all communications and their resolutions. For more information regarding HCDD's Appeal Process, please visit [www.houstontx.gov/housing/appeals.html](http://www.houstontx.gov/housing/appeals.html).

### 13 Conflicts of Interest

Participants must complete and sign a Conflict-of-Interest Disclosure before CDBG-DR funds are expended. This disclosure requires Program Participants to disclose, under penalty of perjury, their immediate family members or business partner(s) currently employed by the City of Houston or were employed by the City within the past year.

**Note:** *“Immediate family members” means and includes (whether by blood, marriage, or adoption) the spouse, parent (including a stepparent), child (including a stepchild), sibling (including a stepsibling), aunt/uncle, niece/nephew, grandparent, grandchild, great grandparent, great-grandchild, and in-laws with the same titles, romantic partners, and anyone who resides in the same Household of the covered person.*

The Conflict-of-Interest provisions at [2 CFR § 200.318\(c\)](#) require HCDD staff to disclose any relationship with an Applicant, vendor, or Contractor. HCDD staff, sub-grantees, program administrators, vendors and Contractors who disclose such relationships are placed in roles where there is no opportunity for them to display favoritism or collude to financially or otherwise benefit themselves, the Applicant, vendor or the Contractor.

If a conflict of interest is determined to exist and the threshold requirements of 24 CFR § 570.611(d)(1) are met, the City is permitted to submit a written request for an exception from HUD pursuant to 24 CFR § 570.611(d), which HUD may, in its sole discretion, grant on a case-by-case basis, taking into account the cumulative effects of the factors listed at 24 CFR § 570.611(d)(2).

HCD will handle any conflicts of interest in accordance with 24 CFR § 570.611, 2 CFR § 200.318, the City’s [Administrative Policy 2-22: Conflict of Interest](#), the HCD #01-40 Non-Procurement Conflict-of-Interest Policy that outlines the process for waivers, and any other applicable federal, state, and local law, rules, and regulations.

Furthermore, employees and/or family members of an entity performing work on behalf of HCDD or the employees and/or family members of a direct Contractor to an entity performing work on behalf of HCDD are not eligible to receive assistance under the HCDD Single Family Program. However, these individuals may be able to request a waiver as defined in the Conflicts of Interest Policy. This program requires compliance with all applicable conflict of interest provisions, including but not limited to federal, state, and local statutes, laws, regulations, ordinances, and other requirements including but not limited to the Texas Local Government Code Chapters 171, 176 and 553; Chapter 36, Sections 36.02 and 36.08 and Chapter 39, Section 39.02 of the Penal Code; Article VII, Section 4 of the City Charter; Chapter 14, Article II, Section 14–183, Chapter 15, Article III, Sections 15–1 (as amended by City Ordinance No. 2021–44), 15–55, & 15–56 and

Chapter 18, Article I, Section 18-3 of the City's Code of Ordinances, and Executive Order 1-28.

#### **14 Fraud, Waste, and Abuse**

In accordance with 2 CFR 200.113, the City, Subrecipients, Contractors, and their subcontractors receiving or being paid by Grant Funds must promptly inform in writing the OIG and HUD when it has credible evidence of violations of federal criminal law involving fraud, bribery, or gratuities or a violation of the civil False Claims Act that could potentially affect the Federal award at <https://www.hudoig.gov/hotline/report-fraud> (a Subrecipient or Contractor must also inform the City that awarded it funding, and a subcontractor must also inform the Subrecipient or Contractor). All other instances of fraud, waste, and abuse should be referred to the HUD OIG Fraud Hotline (phone: 1-800-347- 3735 or email: [hotline@hudoig.gov](mailto:hotline@hudoig.gov)).

City, Subrecipients, Contractors, and their subcontractors shall comply with 41 U.S.C. § 4712, which includes informing employees in writing of their rights and remedies, in the predominant native language of the workforce. Under 41 U.S.C. § 4712, employees of a government contractor, subcontractor, grantee, and subgrantee—as well as a personal services contractor—who make a protected disclosure about a federal grant or contract, cannot be discharged, demoted, or otherwise discriminated against as long as they reasonably believe the information they disclose is evidence of: (1) Gross mismanagement of a federal contract or grant; (2) Waste of federal funds; (3) Abuse of authority relating to a federal contract or grant; (4) Substantial and specific danger to public health and safety; or (5) Violations of law, rule, or regulation related to a federal contract or grant.

The Program is subject to, and will follow, HCD's Policy# 21-10, Fraud, Waste, and Abuse. Anyone with information regarding known or suspected misappropriation of CDBG-DR funds or resources is encouraged to report the information to the City by sending an electronic report via email to the following email address: [housingfraud@houstontx.gov](mailto:housingfraud@houstontx.gov).

**Note:** Title 18, section 1001 of the U.S. Code states: “[W]hoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States knowingly and willfully—(1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation, or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry, shall be fined under this title, imprisoned not more than five years, or if the offense involves international or domestic terrorism (as defined in section 2331), imprisoned not more than 8 years, or both.

- (c) Per HCD Fraud, Waste, and Abuse Policy (01-26), Subrecipients are required to attend Fraud, Waste, and Abuse training. Subrecipients, including their staff, must complete the training within 30 days of executing the Subrecipient agreement, upon hiring, and annually thereafter in accordance with the latest Public Services Division Fraud, Waste, and Abuse Standard Operating Procedures (08-01).
- (c) Subrecipients can locate Fraud, Waste, and Abuse training by visiting the [HUD Exchange Training website](#) for the latest training.
- (c) Subrecipients must maintain and submit supporting documentation demonstrating completion of Fraud, Waste, and Abuse training, e.g., but not limited to:
  - (v) Certificate of Completion
  - (v) Timesheets
  - (v) Sign-in Sheets
  - (v) Training Agendas

Safeguard protected Personally Identifiable Information (PII)

### **15 Davis-Bacon Labor Standards**

Laborers and mechanics employed on construction work “financed in whole or in part” with CDBG-DR assistance must be paid not less than wages determined to be prevailing on similar construction work in the locality by the Secretary of Labor in accordance with 24 CFR Parts 1,3,5,6 and 7.

### **16 Equal Employment Opportunity**

Title VII of the Civil Rights Act of 1964 (i) prohibits the City and private employers with 15 or more employees, including Subrecipients and Contractors and their subcontractors, from discriminating in employment decisions based on race, color, religion, sex, sexual orientation, gender identity, or national origin; and (ii) requires Contractor employers to take proactive steps to ensure that equal opportunity is provided in all aspects of employment. This statute is adhered to within HCD programs.

Anyone who feels that their Equal Employment Opportunity rights have been violated can contact any or all of the following enforcement authorities:

#### **City of Houston Office of Inspector General**

900 Bagby St., 4th Floor

Houston, TX 77002

OIG Hotline: (832) 394-5100

[OIG Complaint Form](#)

**U.S. Equal Employment Opportunity Commission**

Mickey Leland Building  
1919 Smith St., 6th Floor Houston, TX 77002  
Phone: 1 (800) 669-4000  
TTY: 1 (800) 669-6820  
ASL Video Phone: (844) 234-5122

[EEOC Public Portal](#)

**17 Housing Discrimination**

No person will be excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, Disability, or marital status. Applicants/Participants who feel they have been discriminated against can contact:

U.S. Department of Housing & Urban Development

Housing

Discrimination inquiries and/or complaints

800-669-9777 (Voice)

1-800-927-9275 (TTY)

Texas Workforce Commission

Civil Rights Division

1-888-452-4778 (Voice)

1-800-735-2989 (TTY)

**18 Fair Labor Standards Act**

The amended Fair Labor Standards Act of 1938 (FLSA) establishes the basic minimum wage and requires the payment of overtime, for certain employees.

Overtime payments must be at the rate of at least one and one-half times the basic hourly rate of pay for hours worked in excess of forty per work week. These standards are applicable to all activities funded by this Program.

## **19 Financial Management**

The City of Houston, as a CDBG-DR recipient, is required to follow the financial administration requirements outlined in 2 CFR Part 200 200 and 24CFR Part 570. These

standards help ensure that the financial systems put in place by the City:

- Provide adequate, current, and complete disclosure of the financial results (regular financial reporting) of all financially assisted activities, in accordance with the financial reporting requirements of the grant;
- Document that CDBG-DR funds have been used only for authorized purposes. For CDBG-DR this includes not only eligible activities but that the funded projects meet a National Objective;
- Maintain accounting records that show the sources and uses of CDBG-DR funds, displaying CDBG-DR funds authorized, obligated and unobligated balances, assets, liabilities, outlays or expenditures and income;
- Establish effective internal controls over all cash, real and personal property, and other assets acquired with program CDBG-DR funds;
- Track actual program cost against program budget in a manner that relates to program productivity and accomplishments;
- Use Uniform Administrative Requirements outlined in 2 CFR § 200 principles to determine whether program costs are

reasonable, allowable, and can be allocated, either directly or indirectly;

- Maintain source documentation for accounting records;
- Implement procedures for cash management that permit the timely disbursement to Applicants and subrecipients and complete and accurate monitoring and reporting; and
- Comply with [2 CFR § 200 subpart F](#).

**(a) Finance Department**

The Strategic Procurement Division (SPD) is housed within the City of Houston's Finance Department and is responsible for procuring goods and services for CDBG-DR funded activities.

**(b) The City Controller**

The Office of the City Controller certifies the availability of CDBG-DR funds prior to City Council approval of City commitments, processes and monitors disbursements, invests the City's CDBG-DR funds, conducts internal audits of the City's departments and federal grant programs, operates and maintains its financial management system, conducts the sale of public improvement and revenue bonds and produces a comprehensive annual report of City finances – Comprehensive Annual Financial Report (CAFR). The Controller will be responsible for providing a variety of approvals for release of CDBG-DR funds as payment to Contractors and beneficiaries. HCDD is the grant manager for Houston's 2024 Derecho and Hurricane Beryl CDBG DR allocation and is responsible for administering all programs outlined in the City's Local Action Plan.

**(c) Single Family Home Repair Section**

The HCDD Single Family Home Repair Section is responsible for designing and implementing the 2024 Derecho and Hurricane Beryl Recovery Single Family HRP for the City of Houston.

**(d) Single Family Division**

This division is responsible for Program development and oversight, as well as community outreach.

**(e) Finance Division**

The HCDD Finance division is responsible for processing CDBG-DR grant funding through the Systems Applications and Products (SAP), performing draws in HUD's Integrated Disbursement Information System (IDIS) and Disaster Recovery Grant Reporting (DRGR) System, and reconciling budgets

and expenditures. This division is also responsible for processing payment requests in SAP and federal reimbursement requests to HUD to be realized in the City's budget.

**(f) Planning and Grant Reporting Division**

The HCDD Planning and Grants Reporting division is responsible for the City's CDBG-DR Local Action Plan, Local Needs Assessment, program applications, other related planning documents, substantial amendments, project/activity budget set-up and completion in IDIS and DRGR and related reporting to HUD. The Planning and Grants Reporting division is responsible for tracking timeliness of grant fund expenditures and monitoring actual expenditures and outcomes against the projections developed by the Single Family Home Repair Section.

**(g) Program Income**

This Program is not designed to generate program income. HCDD does not intend to implement any programs or activities that generate income as described in [90 FR 1754](#). However, if any CDBG-DR activities generate income before or after close-out of the grant, HCDD will retain program income to fund additional CDBG-DR activities or to fund the repair, operation, or maintenance of existing CDBG-DR activities. HCDD will comply with all HUD requirements and the program income waiver and alternative requirement in [90 FR 1754](#) and subsequent notices, including tracking program income in the Disaster Recovery Grants Reporting (DRGR) system and using program income before drawing additional grant CDBG-DR funds. Specifically, the City will adhere to the program income policies and procedures as stated in the City's financial certifications.

**20 Minority- and/or Woman-Owned Business Enterprises**

Contractors must comply with the City's Minority and Women Business Enterprise ("MWBE") programs as set out in Chapter 15, Article V7 of the City of Houston Code of Ordinances and the applicable Office of Business Opportunity's ("OBO") Policies and Procedures. Contractors must make good faith efforts to award subcontracts or supply agreements in at least 29% (21% MBE, 8% WBE) of the value of this Agreement to MWBEs ("Stated MWBE goal"). If the Contractor is a certified MBE or WBE, the Contractor may count towards goals the work that it commits to perform with its own workforce, capped at 50% of the total advertised goal.

Contractors acknowledge that it has reviewed the requirements for good faith efforts on file with OBO and will comply with them. Good Faith Efforts should be documented per the City of Houston, Office of Business Opportunity Good Faith Effort policy.

For more information regarding Good Faith Efforts, visit: <http://www.houstontx.gov/obo/docsandforms/goodfaithefforts>

The City operates its own certification program through the [Office of Business Opportunity](#). Interested parties should refer to [HCDD's Contract Compliance Forms Packet](#) for more information.

For questions, please call HCDD office at (832) 394-6200 or email HCDD at [hcd-mwsbe@houstontx.gov](mailto:hcd-mwsbe@houstontx.gov).

### **21 Section 3**

Work performed under this contract is subject to the requirements of Section 3 of the HUD Act of 1968 ("Section 3"), as amended (12 USC § 1701). The City complies with Section 3 requirements to ensure that employment and other economic opportunities generated by HUD assistance—or HUD-assisted developments covered under Section 3—are directed, to the "greatest extent feasible", to low- and very low-income persons. This includes persons receiving HUD housing assistance, with a preference for targeted workers living in the service area or neighborhood of the Development, as well as Youth Build Participants, as defined at [24 CFR § 75](#) ("Section 3 Regulations").

### **22 Pay or Play**

Contractors must comply with the City's Pay or Play Program, as set out in [Executive Order No. 1-7](#). The Contractors should demonstrate that they have the willingness and ability to comply with the City's Contractors' Pay or Play Program. The POP Program is applicable to:

- (a) Contracts for services for which the total expenditure by the City, including contingencies, amendments, supplemental terms and/or change orders, equals or exceeds \$100,000.
- (b) Subcontracts for services in which the total value of the subcontract, including contingencies, amendments, supplemental terms and/or change orders, equals or exceeds \$200,000. The contractor is responsible to the City for compliance of covered employees of covered subcontractors.

### **23 Residential Anti-Displacement**

The City of Houston does not plan to administer activities that will cause a direct or indirect displacement of persons or entities. In accordance with the 2024 Derecho and Hurricane Beryl Federal Register Notice, the City of

Houston plans to amend the current Residential Anti-displacement and Relocation Assistance Plan (RARAP) to strengthen efforts to prevent hardship of a displaced person or entity and increase oversight to ensure the requirements of Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA), as amended. The RARAP sets the minimum standard for, but not limited to, planning efforts, Relocation Plan, relocation schedule, accommodations for displaced persons with disabilities, relocation budget, and project the number of staffing needed to carry-out URA requirements.

**(a) Uniform Relocation Act (URA)**

The acquisition of real property using federal CDBG-DR funds, as administered by HCDD, is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and/or Section 104(d) of the Housing and Community Development Act of 1974. The applicable federal regulations are located at [49 C.F.R. § 24](#) (URA), [24 CFR § 570.606](#) Displacement, relocation, acquisition, and replacement of housing, [24 C.F.R. § 42](#), [Section 104\(d\)](#) of the Housing and Community Development Act ([42 U.S.C. § 5304\(d\)](#) (“Section 104(d)”), and in the Tenant Assistance, Relocation and Real Property Acquisition Handbook (HUD Handbook 1378). The Federal Register Notice March 19, 2015 (FR [6489](#)-N-01) waived the one-for-one replacement requirements at [Section 104\(d\)\(2\)\(A\)\(i\)-\(ii\) and \(d\)\(3\)](#) and [24 C.F.R. § 42.375](#). [Section 414 of the Stafford Act](#) and its implementing regulation at [49 CFR § 24.403\(d\)\(1\)](#) waived Occupancy Requirements to the extent that they would apply to real property acquisition, rehabilitation, or demolition of real property for a CDBG-DR funded project commencing more than one year after the date of the latest applicable Presidentially declared disaster.

Subrecipients or Contractors must provide the following benefits to households or businesses that they displace:

- Relocation advisory services;
- A minimum of 90-day notice to vacate;
- Reimbursement for moving expenses; and
- Payments for added cost of renting or purchasing comparable replacement housing.

HCDD programs subject to the URA and Section 104(d) include the CDBG-DR programs. HCDD policies and procedures, Notice of Funding Availability (NOFA), Applicant certifications, and/or written agreements for CDBG-DR

funds subject to the URA and Section 104(d) must refer to federal and state rules, as appropriate.

## **24 Insurance and Property Management**

For all projects in the Program, per [2 CFR § 200.310](#), all property owners must procure and maintain insurance for the duration of the agreement to protect all contract assets from loss due to any cause, such as theft, fraud, and physical damage. If CDBG-DR funds are used to acquire real property or personal property, [2 CFR § 200.311](#) requires that the Property owner ensure the following:

- The Property continues to be used for its intended (and approved) purpose;
- The Subrecipient keeps track of, and takes care of, the Property; and
- If the Subrecipient sells or disposes of the Property during the contract period, the Subrecipient reimburses HCDD for the share of the Property's value according to the agreement.

## **25 Record Keeping and Retention Requirements**

In accordance with HUD regulations, as the grantee, and the City of Houston as the sub-grantee and prime recipient of CDBG-DR funds follow the records retention requirements cited in [2 CFR § 200](#) which includes financial records, supporting documents, statistical records and all other pertinent records.

HCDD establishes recordkeeping and retention requirements in its subrecipient and Contractor agreements in accordance with the guidelines stated in [24 CFR § 570.503\(b\)\(2\)](#).

Record retention per [2 CFR § 200.333](#) is a requirement of the Program. Records are maintained to document compliance with program requirements and federal, state, and local regulations and to facilitate a review or audit by HUD. The HCDD Records Management Program seeks to ensure that:

- HCDD complies with all requirements concerning records and records management practices under federal and state regulations;

- HCDD has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements, and community expectations; and
- These records are managed efficiently and can be easily accessed and used for as long as they are required.
- Records must be retained for the greater of four years from closeout of the grant, or the period required by other applicable laws and regulations as described in 24 CFR 570.487 and 24 CFR 570.488, or a litigation or audit hold, or an unresolved finding.
- These records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner based on HUD Handbook 2225.6, Records Disposition Schedules, and HUD Handbook 2228.2.

**(a) Access to Records (State of Texas- City)**

[24 CFR § 570.490](#), Recordkeeping requirements and [2 CFR § 200, Subpart D](#), Record retention and access to records.

- HUD, the City, the Inspector General, and the Comptroller General Accounting Office must have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG-DR funds and necessary to facilitate such reviews and audits.
- The State must provide citizens with reasonable access to records regarding the past use of CDBG-DR funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG-DR funds consistent with State or local requirements concerning the privacy of personal records.

The availability of records is subject to the exceptions to public disclosure provided in Chapter 552 of the Texas Government Code, known as the Texas Public Information Act (“TPIA”). Requests under the TPIA must be made in writing to the Public Information Officer and will be processed per the procedures outlined in the TPIA and applicable City policies, such as Administrative Procedure 2-9, guidelines for responding to requests for public information.

## 26 Reporting

The Reporting provisions at [2 CFR § 200.329\(b\)](#) require non-federal entities to relate the Program performance of the federal CDBG-DR funds used in HUD programs. As a recipient of federal CDBG-DR funds, HCDD has established its own reporting requirements per these provisions, as applicable:

- At execution of agreements;
- Monthly;
- Quarterly;
- Annually; and
- As required.

**Note:** *Additional information on compliance requirements, the rights of Applicants and Participants, steps for complaints and/or appeals, etc. are also available on the City's website.*

## Record Management

The HCDD Records Management section is tasked with ensuring that:

- HCDD complies with all requirements concerning records and records management practices under federal and state regulations;
- HCDD has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements, and community expectations; and
- Records are stored for as long as they are required.

## Document Control

While this document serves as the primary guide for administering this program, it is governed by applicable federal, state, and local laws, statutes, and requirements. HCDD makes every effort to update this document to reflect any changes in those higher-level (“upstream”) requirements. However, if a conflict arises between this document and an upstream authority, the upstream document will take precedence. Examples of upstream documents include, but are not limited to:

- Applicable laws, statutes, and requirements set by the federal government or the State of Texas;
- Relevant notices from the U.S. Department of Housing and Urban Development published in the Federal Register;
- City of Houston Code of Ordinances;
- Mayoral Policies and Procedures, such as:
  - Mayor’s Policies;
  - Executive Orders;
  - Administrative Policies; and/or
- City of Houston’s Action Plan for 2024 Derecho and Hurricane Beryl.

In cases where the conflict concerns a requirement, the more stringent requirement controls unless otherwise determined by the Director of HCDD, to the extent provided by applicable laws and requirements.

## Amendments

As the DR 24 SF HRP guidelines mature, HCD may request waivers and alternative requirements to these guidelines. Per the latest HCDD Policy #01-01: Governing Documents, the guidelines may be amended either administratively or by vote of the Houston City Council.

## **Change Log**

### **1.0 – Adopted XX/XX/2026**

- Original version

DRAFT

## Term Definitions

**Abstract of Judgement** – A public record that creates a lien on a debtor’s non-exempt real property. It is a summary of a court judgement that may include, but is not necessarily limited to, the names of the debtors and creditors, the amount owed, and other case details.

**Acceptance Form** – A written statement issued by the HCDD and signed by the Homeowner and a witness, stating that all work has been satisfactorily completed in accordance with the Work Write-Up and/or Plans and Specifications.

**Affidavit of Heirship** – A sworn testament that identifies the heirs of a deceased property owner, recorded in the public records in the county where the Property is located.

**Area Median Income (AMI)** – The annual limits calculated by HUD for the estimated median family income with adjustments based on family size used for demonstrating LMI beneficiaries in the Program.

**Applicant** – A potential Program Participant who has applied for services under this Program.

**Baseline Schedule** – The schedule of the work to be performed by certain dates, as determined by the Contractor and approved by the Director in connection with the Scope of Work.

**Cancelled Subsidized Loans** – Loans (or a portion of loans) that were initially accepted, but for a variety of reasons, all or a portion of the loan amount is not disbursed and is no longer available to the Applicant.

**Certificate of Compliance** – A certification document issued by the City to the Contractor and signed by a City inspector stating that all work has been duly inspected and found to comply with the Building Code requirements.

**Change Order** - An authorized change to the work and/or contract price approved by the Director.

**City** – The City of Houston, unless otherwise specified.

**Co-Applicant** – An individual who resides in the same household as the Applicant, shares ownership interest in the Property, and/or shares responsibility for repayment and/or compliance with the Program. A Co-Applicant must provide required documentation, meet applicable eligibility requirements, and be included in the household’s application for assistance. Co-Applicants may be the heir to the Property in the event Applicant dies.

**Co-Participant** – An individual deemed eligible as an additional Homeowner joining the Participant for assistance. Co-Participants share ownership of

the assisted Property or who is otherwise required to sign Program Documents with the primary Applicant. Co-Participants must meet all applicable eligibility and documentation requirements of the DR24 SF HRP. Co-Participant may be the heir to the Property in the event the Participant dies.

**Community Development Block Grant Disaster Recovery (CDBG-DR)**-Funding made available under the Continuing Appropriations Act, 2023 (Pub. L. 117-180, Division A) and The Disaster Relief Supplemental Appropriations Act, 2022 (Pub. L 117-43).

- Program Participant must comply with Occupancy requirements for 3-years in the Rehabilitation and Reconstruction pathway which begins on the date the Participant signs the Acceptance Form.

**Composite Pricing** - The standardized prices that will be used to calculate Contractor's fees and will be used to determine the final cost for each Disaster Recovery Project.

**Contractor** - A City procured qualified professional or company responsible for executing, Rehabilitation and Reconstruction activities in the Program.

**Damage Assessment** - The process of evaluating the physical condition of a property to identify damages sustained as a result of the 2024 Derecho and Hurricane Beryl.

**Declined Subsidized Loan** - A loan that is approved or offered by a lender in response to a loan application, but is turned down by the Applicant, meaning the Applicant never signed loan documents to receive the loan proceeds.

**Deed** - A legal document that transfers ownership of a property from one party to another.

**Deed of Trust** - The legal document placing a lien between the Homeowner and City of Houston in which the legal title to the Property is transferred to a trustee, identified as the Director of HCDD.

**Default** - Occurs when a Homeowner fails to comply with the requirements stated in the Program Documents including but not limited to Tri-Party Agreement, Promissory Note, Deed of Trust, or any other related Program Documents.

**Direct Damage** - The immediate impact that arise due to the 2024 Derecho and/or Hurricane Beryl.

**Director** - The Director of HCDD or his or her successor(s) or designee(s).

**Disability** - An individual who suffers from:

- A physical or mental impairment that substantially limits one or more major life activities of such individual;
- A record of such an impairment; or
- Being regarded as having such an impairment.

The term “disability” will be interpreted consistent with the definition under Section 504 of the Rehabilitation Act of 1973, as amended by the Americans with Disabilities Act Amendments Act of 2008. This definition does not change the definition of “disability” or “disabled person” adopted pursuant to a HUD program statute for purposes of determining an individual’s eligibility to participate in a housing program that serves a specified population.<sup>8</sup>

***Note:** The definition of “disability” will be construed broadly in favor of expansive coverage, to the maximum extent permitted (This has the effect of prioritizing elderly or disabled Houstonians in need of services under this Program).*

**Disaster Recovery Project** – Any project that uses Community Development Block Grant Disaster Recovery (CDBG-DR) funding.

**Duplication of Benefits**– Any assistance received for the same purpose as the CDBG-DR funds were provided.

**Elderly** – An applicant who is at least 62 years of age.

**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. This is also known as a Special Flood Hazard Area (SFHA).
- “500-year Floodplain” – The geographic area defined by FEMA as having a 0.2 percent change of being inundated by a flooding event in any given year.

The Houston Special Flood Hazard Areas (HSFHA) include both 100- and 500-year Floodplains under the City’s Code of Ordinance.

**Forgivable Loan** – A zero interest, deferred payment secured loan that may be forgiven at the end of the Period of Affordability if all terms and conditions of the Program have been met and no default occurs that remains uncured.

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<sup>8</sup> Per [24 CFR § 5.151](#)

**HCDD** – The City of Houston’s Housing and Community Development Department.

**HSFHA** – The Houston Special Flood Hazard Area, defined under [Chapter 19](#) of the City’s Code of Ordinances. Includes both 100- and 500-year Floodplains.

**Homeowner** - The owner/occupant of the Property whom HCDD has approved for participation in the Program, or their successor in interest.

**Household Member** – Related family members, unrelated people such as foster children, wards who share the housing unit, a person living alone in a housing unit or a group of unrelated people sharing a housing unit.

**HUD** – The United States Department of Housing and Urban Development.

**Indirect Impact** – Secondary or consequential impacts that arise due to the 2024 Derecho and Hurricane Beryl.

**Occupancy Requirement** – A requirement that the Homeowner owns and occupies the Property as the Principal Residence for the duration of the Period of Affordability.

**Participant/Homeowner (used interchangeably)** – An Applicant deemed eligible for assistance under the Program.

**Personally Identifiable Information (PII)** – Information protected by the Privacy Act of 1974 that can be used to distinguish individual’s identity.

**Plans and Specifications** – A detailed itemized list approved by the Director that provides instructions to the Contractor for the work to be done on the Property, which may include drawings, as applicable.

**Principal Residence** - The home where a person usually lives. It is considered a person’s legal residence for tax and mortgage purposes.

**Principal Residence Requirement** – Assisted Homeowners are required to occupy the assisted property as their sole and principal residence for the full duration of the applicable *compliance and period of affordability*. The assisted Homeowner must occupy the assisted property continuously (*full-time and year-round*) and may not convert the property to a rental, investment, or vacation property at any time during the compliance period.

**Program** – The City of Houston’s 2024 Derecho and Hurricane Beryl Recovery Single Family (HRP), unless otherwise specified in the document.

**Project Documents** – Includes the Master Contractor Agreement, the Tri-Party Agreement, the Plans and Specifications, the Work Write-Up, approved Change Orders (if any), these guidelines, baseline schedule, Notice to Proceed, Certificate of Compliance, Deed of Trust, Promissory Note,

project initiation document, Acceptance Form, and all other documents pertaining to, or executed in connection with the Scope of Work.

**Project Initiation Document** – A form issued by HCDD that is provided to the Participant, describing pre-construction roles and responsibilities of the Participant, the Contractor, and the City.

**Promissory Note** - A written, legally binding document in which one party promises to pay a specific sum of money to another party at a predetermined time or on demand. It provides the terms of the loan, including the amount borrowed, the interest rate (if any), the repayment schedule, and may reference any collateral involved. The Promissory Note will reflect the amount of the Grant executed by the Homeowner and payable to the City.

**Property** – Residential dwelling, including land and building, that qualifies for Rehabilitation or reconstruction under the Program’s guidelines.

**Reasonable Costs** – A cost that a prudent, sensible person would consider appropriate, ordinary, and necessary for goods and services provided, given the circumstances at the time of the cost is incurred.

**Reconstruction** – A Project with costs in excess of:

1. Fifty percent of the pre-storm fair market value or;
2. The maximum cap for Rehabilitation of \$100,000. The total construction cost, including Change Orders, if any, cannot exceed \$300,000 unless authorized by the Director

**Rehabilitation** – The process of making repairs to a property to remove life, health, or safety hazards, with a cost up to \$100,000 including Change Orders.

**Scope of Work** – The estimated amount and nature of the Rehabilitation or reconstruction work necessary to be provided by a Contractor in order to rehabilitate or reconstruct the Property.

**Subordination Agreement** – A legal document that establishes the priority of liens or claims against a specific asset.

**Subrogation and Assignment Agreement** – An agreement between the Homeowner and the City which relates to reimbursement to the City if any duplicative assistance is paid to the Homeowner, if Homeowner receives an award of CDBG-DR funds from the City, insurance company, or other source that relates to the same Property and the same, substantially similar, or overlapping Scope of Work. The Subrogation and Assignment Agreement will be a part of all Tri-Party Agreements where applicable.

**Transfer on Death Deed (TODD)** – A legal document that allows property owners to designate one or more beneficiaries to inherit real estate upon the owner’s death, without the need for probate.



**Tri-Party Agreement –**

The contract between the City, Homeowner(s) and Contractor outlining the terms and conditions of the Forgivable Loan, each party’s responsibilities in regard to the Rehabilitation or reconstruction and the covenants, terms and conditions of the Program.

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# Appendix

## 1 Single Family Contractor Scorecard

 <span style="float: right;">  </span>					
Single Family Contractor Scorecard					
Contractor:		Tier : X	Reconstruction	Date:	XX/XX/XXXX
HRP #:	XXXXXXXXXX	Duration:	90-120 Days	GC Superintendent:	XXXXXX
Address:	XXXXXXXXXX			HCDD Inspector:	XXXXXX
Applicant Name:	XXXXXXXXXX			HCDD Inspector:	
<b>PROJECT MANAGEMENT:</b> This score will be determined between 0 and 90 is a combination of Objective and Subjective measures. Objective measures include Schedule Adherence (6pt max) and scope management (6pt max). Subjective measures include quality and frequency of communication with the contractor (6pt max). Project Management is broken down into 3 subsections:					
SCHEDULE ADHERENCE		SCOPE MANAGEMENT		COMMUNICATION (SUBJECTIVE)	
(0 to 30 POINTS)		(0 TO 30 POINTS)		(0 TO 30 POINTS)	
	Total Points		Total Points		Total Points
Contractor did not delay signing the NTP and activities started w/in five days from the issuance of the NTP.	0	CHANGE ORDER (Scope): Contractor adhered to program approved original scope of work without the need of a change order	0	Contractor kept the program informed and responded to all inquiries in a timely fashion.	0
33% construction activities ran concurrent or ahead of program approved construction schedule.	0	CHANGE ORDER (Schedule): Contractor adhered to the program approved construction schedule and updated when necessary.	0	Contractor was sometimes slow to respond but information was relevant and accurate.	0
66% of construction activities ran concurrent or ahead of program approved construction schedule.	0	MATERIALS: Contractor installed correct materials to scope and manufacturers specifications	0	Contractor had to be frequently asked for info, or information was not timely and accurate.	0
Final construction activities ran concurrent or ahead of program approved construction schedule.	0	QUANTITIES: Contractor installed correct quantities and followed all items as per scope of work	0	Contractor was slow to respond and information was consistently irrelevant and inaccurate.	0
Punchlist construction activities were completed in a timely manner without deficiencies.	0	CORRECTIVE ACTION: Due to contractor performance program issued Stop-Work-Order	0	Contractor representative was onsite everyday and met with HCD inspector	0
<b>Schedule Adherence Total</b>	<b>0</b>	<b>Scope Management Total</b>	<b>0</b>	<b>Communication Total</b>	<b>0</b>
<b>PROJECT MANAGEMENT TOTAL</b>					<b>0</b>
<b>QUALITY MANAGEMENT:</b> This score of between 0 and 90 is a <u>SUBJECTIVE</u> measure which is the sum of three components, Punch-list Items, Findings at Final Inspection, Adherence to Program Standards, each measured on a 0-6 scale. Quality Management is broken down into 3 subsections:					
INSPECTIONS		PUNCHLIST		PROGRAM STANDARDS	
(UP TO 30 POINTS)		(UP TO 30 POINTS)		(UP TO 30 POINTS)	
	Total Points		Total Points		Total Points
Did contractor maintain SWPPP requirements as indicated in their plan	0	No issues or corrective action required at 33% inspection	0	Contractor installations were according to Program approved scope of work, and Minimum Construction Standards	0
Did the contractor submit payment packages for each milestone inspection within 2 days	0	No issues or corrective action required at Rehab 50% inspection and 66% Reconstruction	0	Contractor installations aligned with Program expectations for quality of craftsmanship, technique and expertise.	0
Contractor failed to address issues documented at interim inspection prior to next scheduled inspection.	0	No issues or corrective action required at Final inspection.	0	Contractor installations aligned with HUD's Housing Quality Standards (HQS).	0
Contractor failed to address issues documented at Final inspection prior to Punchlist inspection.	0	All work identified in the Punchlist scheduled and completed by the contractor within 5 calendar days after the date of the walkthrough inspection	0	The contractor experienced no Environmental Health Safety (EHS) issues through out the term of the project.	0
Was all work completed on the home final inspection received, and COC received before the Quality Control inspection.	0	Failed to address Punchlist items.	0	Contractor fulfilled all Program requirements and expectations for M/WBE	0
<b>Inspections Total</b>	<b>0</b>	<b>Punchlist Total</b>	<b>0</b>	<b>Program Total</b>	<b>0</b>
<b>QUALITY MANAGEMENT TOTAL</b>					<b>0</b>
<b>HCDD Construction Manager Notes:</b>					