



Home Repair Program Guidelines

City of Houston
Housing and Community Development Department
Single Family Division

Version 1.9

Effective: xx/xx/2025



Change Log

Version #	Date	Noted Edits
0	04/23/2003	Amended and Reinstated Emergency Home Repair Guidelines (EHR) City Council Approval 04/23/2003 (Ordinance 2003-401)
0	07/14/2004	EHR amended to expand coverage of assistance to homeowners and to change the name of the program to the Single-Family Home Repair Program (HRP) City Council Approval 07/14/2004 (Ordinance 2004-773)
0	10/18/2006	HRP amended to increase the amount of time homeowners must reside in their homes prior to seeking assistance under the HRP. City Council Approval 10/18/2006 (Ordinance 2006-1056)
1.0	07/30/2008	First amended and reinstated administrative guidelines for HRP City Council Approval 07/30/2008 (Ordinance 2008-683)
1.1	01/10/2018	HRP amended to broaden the program focus on employed homeowners with minor children and unemployed homeowners providing full-time care to disabled household members; recognize additional program resources; and incorporate “Best Practices” identified by HUD. City Council Approval 01/10/2018 (Ordinance 2018-22)
1.2	02/11/2019	<ul style="list-style-type: none"> Moved “Definitions” section to the end of the document
1.3	02/18/2019	<ul style="list-style-type: none"> Changed reference to “lien period” in “Death of Homeowner” section to read “Affordability Period” at request of Legal Dept
1.4	07/03/2019	<ul style="list-style-type: none"> Defined Affordability Period more explicitly and updated threshold to align with home repair programs
1.5	2/19/2020	<ul style="list-style-type: none"> Inclusion of Substantial Gut Rehabilitation option Inclusion of local neighborhood requirements in possible repairs in repairs exempt from repair cost calculation. Minor edits for formatting and grammar City Council Approval 02/19/2020 (Ordinance 2020-115)
1.6	2020	<ul style="list-style-type: none"> Inclusion of intake survey mechanism in the application and approval process Inclusion of pre-existing environmental requirements at the federal and local (Chapter 19) level Minor edits for formatting and grammar
1.7	12/22/2020	<ul style="list-style-type: none"> Inclusion of Emergency Repair option under Tier 1 Inclusion of program caps in Levels of Assistance chart
1.8	12/20/2023	<ul style="list-style-type: none"> Inclusion of cost estimates prior to the procurement of contractors Updated to exclude applicants with tenants or occupants within their home Adjustments to cost thresholds determining the Level of Assistance General reduction of affordability periods’ duration

Version #	Date	Noted Edits
		<ul style="list-style-type: none"> Revised sections for Moving and Storage & Temporary Relocation Assistance Added standard language concerning fraud, waste, and abuse of funds or resources Grammar and language adjustments to Death of a Homeowner section Added Minimum Construction Standards Added Procurement section to Construction/Reconstruction heading. Added language on insurance claim proceeds over \$10,000. Added or Updated sections within Regulatory Consideration: <ul style="list-style-type: none"> Davis-Bacon Labor Standards Equal Employment Opportunity Fair Labor Standards Act of 1938, as Amended Limited English Proficiency Minority Women Small Business Enterprises Updated Complaints & Appeals Updates to Grammar and Term Definitions City Council Approval 12/20/2023 (Ordinance 2023-1148) HCDD Management Approval 1/5/2024
1.9	xx/xx/2025	<ul style="list-style-type: none"> Revised Applicant Eligibility Section Added minimum requirement for Property Ownership Added maximum cap amount to approved payment plans for delinquent property tax and utility bills. Updated Floodplain Language to align with HUD regulations. Added additional cross-cutting regulations: Audit Requirements, Affirmative Marketing and Outreach, Housing Discrimination, Suspension and Debarment, Environmental Review, Renovation, Repair, and Painting Rule, Asbestos, Financial Management, Residential Anti-Displacement, Uniform Relocation Act, Insurance and Property Management, and Reporting. Added Contractor assignment methodology utilizing Composite Pricing in the Contractor Procurement section Updated definitions section to include Composite Pricing and Competitive Sealed Proposal Change home warranties to start on the date the Homeowner signs the Acceptance Form. Updated language in Complaints and Appeals, ADA, Davis Bacon, Minority Women Small Business Enterprise, Conflict of Interest, The Federal Privacy Act, and Recordkeeping and Retention sections Added additional language to occupancy requirements Change Log updated to include previous amended and approved Single-Family Home Repair Guidelines by the City Council since 2003; includes City Council approval dates and Ordinance numbers. Added City Council Approval Date to Change Log for Version 1.5

Version #	Date	Noted Edits
		<ul style="list-style-type: none"> Added Ordinance number to Change Log for Version 1.8 City Council Approval XX/XX/2025 (Ordinance 2025-XXX) HCDD Management Approval XX/XX/2025

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Document Control

These Guidelines govern how the Home Repair Program (HRP) is administered and controlled by applicable laws, statutes, and requirements at the federal, state, and local level. Every attempt is made by the Housing and Community Development Department (HCDD) to update this document to reflect changes. However, in cases of conflict between this document and a controlling, future document, the future document controls. Examples of future 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 (HUD) published in the Federal Register;
- City of Houston (City) Code of Ordinances;
- Mayoral Policies and Procedures, such as:
 - Mayor's Policies;
 - Executive Orders; and/or
 - Administrative Policies.

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

Disclaimer

The information contained in these Guidelines or otherwise provided by the Housing and Community Development Department (HCDD) does not, and is not intended to, constitute legal advice.

Applicants should seek legal advice from their own attorney to determine if or how the information and options in these Guidelines affect their interests or the interests related to him/her before accepting the requirements of the program and proceeding with his/her application.

Contact Us

We welcome any questions or feedback regarding this document. To file a complaint or appeal, please refer to the Complaints and Appeals section for instructions. To report potential fraud, waste, or abuse, please refer to the Fraud, Waste, and Abuse section for instructions. For all other inquiries, contact us at the following:

Housing and Community Development Department
2100 Travis St., 9th Floor
Houston, TX 77002
(832) 394-6200
hcdd@houstontx.gov

Introduction

The City's goal in the Home Repair Program (HRP) is to ease life, health, and/or safety hazards resulting from substandard conditions in homes owned and occupied by qualified low- and moderate- income persons, at or below 80% of the Area Median Income per household size as determined by HUD annually.

The HRP Guidelines (Guidelines) as amended, from time to time, govern current and future allocations of federal and local funds to ensure the efficient and proper administration of the HRP for housing rehabilitation, reconstruction and construction activities performed under the HRP.

The City intends to use Community Development Block Grant (CDBG) Funds, and Tax Increment Reinvestment Zone (TIRZ) funds and any other local funds, including, but not limited to, community program housing homeless bonds, council service funds, and donations that become available to aid qualified homeowners. HCDD will carry out the requirements of the HRP on behalf of the City in accordance with HUD regulations as outlined in 24 CFR Part 570, the Fair Housing Act, 42 U.S.C. 3601 et seq., Chapter 311 Tax Increment Financing Act of the Texas Tax Code, and the City's Housing Bond Funds. In the event of conflict between any applicable federal, state, and local statutes, ordinances, regulations, rules, policies, codes, or guidelines now or hereafter in effect, as they may be amended from time to time, the most restrictive shall apply.

Note: HRP projects funded wholly with non-federal funds, (i.e., TIRZ), are not subject to comply with HUD regulatory requirements. HRP projects wholly funded with TIRZ will comply with Chapter 311 Tax Increment Financing Act of the Texas Tax Code, local codes, Ordinances and City Housing Bond Funds, as applicable.

National Objective

This Program is required to address a national objective with all activities funded under this Program. The national objective used will be 24 CFR § 570.208(a), activities benefiting Low- and Moderate-Income (LMI) people.

Amendments

HCDD may amend these Guidelines either administratively or by vote of the Houston City Council and/or a committee thereof, pursuant to Ordinance No. 2005-1395, as amended by Ordinance No. 2018-121, and HCDD Policy #01-01: Governing Documents.

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 five languages spoken in Houston (Spanish, Vietnamese, Chinese, Arabic, and French.¹), and other native languages. Applications will be offered in a manner consistent with fair housing and civil rights regulations, such as: 24 CFR § 8.6; Title II of the ADA; Section 504 of Rehabilitation Act; and other related regulations and directives. To ensure effective

¹ These languages are most common in the Houston area.

communication, these 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 COH A.P. 2-11: Language Access; and other related regulations and directives. To ensure effective communication, these regulations also require consideration of special populations including but not limited to persons with disabilities and persons with limited English proficiency (LEP).

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 at singlefamilyeligibility@houstontx.gov.

Examples of potential accommodation may include:

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

Application Process

The HRP Application Process consists of a 3-step approval process –

1. Pre-screening
2. Application
3. Eligibility Determination

The pre-screen and application process will officially be open to the public on an annual basis anytime between September 1 through August 31, or until program funding is fully expended. Program staff may restrict the number of Applicants based on an estimated number of properties that can be reasonably assisted using the annual funding allocated for the HRP.

Note: The HRP reserves the right to close the application process at any time throughout the year.

When all HRP funding has been committed and or expended, unserved Applicants will be notified in writing, informing them that HRP funds are no longer available, and to routinely check the HCDD website at <https://houstontx.gov/housing/index.html> for funding updates to reapply.

When additional funding for the HRP becomes available, program staff will estimate the number of properties that can reasonably be assisted based on the amount of funding for construction related hard and soft cost. The application process will be reopened, and Applicants will be served on a first come first serve basis.

Home Repair Program Pre-Screen (Step 1)

Potential Applicants seeking to participate in the HRP can contact HCDD at **(832) 394-6200** for pre-screening by selecting the option for the Home Repair Program. The pre-screening questions may be

used to preliminarily determine if the Applicants' household and Property meet the basic program requirements. Applicants will be reviewed for assistance on a first come first served basis.

The HCDD program staff will be responsible for gathering basic information, including but not limited to:

- Applicant and Co-Applicant Names
- Applicant and Co-Applicant Date of Birth
- Property Address
- Street Name
- City, State and Zip Code
- Telephone Number
- Cellular Telephone Numbers
- Email Address
- Repair Needs

The Intake Eligibility Specialist (IES) will verify the accuracy of the information provided by Applicants to determine if the following basic program requirements are met:

- The Property is located within the City of Houston's incorporated areas.
- The Applicant is the owner of the Property.
- The Property is the Applicant's primary residence.
- Property taxes are current or on an approved payment plan.
- Utilities are current or on an approved payment plan.

Once the basic program requirements have been met, the IES will extend an invitation to apply to the HRP in writing. If the basic program requirements are not met, then applicants will be notified in writing that the program requirements have not been met.

Home Repair Program Application (Step 2)

Applications with detailed instructions will be available online. Upon request, applications may also be mailed or made available for pick up at the HCDD's Office.

Included in the application package are the following required supporting documents:

- Valid Government-Issued ID:
 - State-issued Driver License
 - Social Security Card
 - State-issued identification card
 - Military ID
 - Other official state or federal photo ID
 - Offender identification card for an incarcerated or recently released offender
- Proof of Citizenship or permanent residence:
 - Passport book or passport card
 - Certificate of Naturalization
 - Certificate of Citizenship
 - U.S. civil-issued birth certificate

- Permanent resident card (a/k/a “green card” or “alien registration card”)

Note: *If there are name variations on proof of ID, application or any other program documentation and forms, the applicant / co-applicant shall verify that all apply to the same person by signing the Name Affidavit form with all listed, relevant name variations.*

- Verification of Disability, if applicable
- Proof of a recorded Transfer on Death Deed or other enforceable instrument to distribute the Property upon death of the homeowner
- Income and Asset Form
- Proof of Income/Award Letter
- Bank Statements from all checking and savings accounts
- Proof of Child Support Received/Owed, if applicable
- Proof of Assets
- Lienholder/Mortgage Statement, if applicable
- Proof of utilities bills in a current status or payment plan if applicable
- Recorded Deed or Affidavit of Heirship

The IES are responsible for receiving and reviewing HRP applications and supporting documents within three business days of submission. HCDD will not make an official eligibility determination until the Applicant submits all required information. Once received, applications are reviewed on a first-come, first-served basis. The IES will create an application ID number in OnBase. The IES will conduct an eligibility assessment to ensure the application is legible, complete, signed, dated (where required), and includes all necessary supporting documents.

Upon completing the eligibility assessment review, the IES will notify (via email if provided, phone, and/or mail) the Applicant of any unacceptable or missing document(s). The Applicant will have 10 calendar days, by the close of business, to correct unacceptable documents and or to provide any missing document(s). Applicants that fail to provide acceptable documentation within the established deadline shall be Administratively Withdrawn from the HRP (see section on Program Withdrawal). On a case- by-case basis, due to unforeseen and/or unexpected life altering circumstances, including but not limited to death in the Applicant’s immediate family or hospitalization, an extension up to thirty (30) calendar days may be granted. In such case, Applicants will be required to submit a written request and supporting documentation.

When the application and all required supporting documents are deemed acceptable, the IES will calculate the Applicant’s total annual household income. Per the Single-Family Manual, total annual household income will be determined in accordance with 24 CFR § 5.609.

If the total annual household income, for all adult household members residing in the Property to be assisted, is at or below 80% AMI per household size based on the most current HUD income limits, and the Property to be assisted is located within the City of Houston and meets all property requirements, the IES shall notify the Applicant(s) in writing of their eligibility to participate in the program.

Note: BEING DETERMINED INCOME ELIGIBLE DOES NOT IMPLY NOR DOES IT GUARANTEE THAT HRP ASSISTANCE WILL BE PROVIDED.

Verification of Disability/Special Needs

Homeowners requiring accommodation(s) due to an impairment or disability must have a Verification of Disability Form on file. The form must be completed by a certified licensed medical professional who has knowledge of the claimed disability.

Eligibility Review (Step 3)

This section outlines the Applicant and Property eligibility requirements. Applications will only be reviewed if funding is available. Failure to disclose accurate and complete information will render the Applicant ineligible for assistance. Applicants deemed income eligible will be notified in writing. The notification letter will also inform the Applicant of the 5-calendar day deadline to contact HCDD to confirm whether or not they want to schedule a date and time for a HRP Inspector to conduct a damage assessment inspection of the Property to be assisted.

Eligibility Requirements

Applicant Eligibility Requirements

Applicants may be considered eligible if they meet certain eligibility requirements. HCDD will verify the following:

1. Applicant (and Co-Applicant, if any) must own and occupy the Property as their principal residence for a minimum of 5 years at the time of the application and continue to own and occupy the Property as the principal residence during the applicable Affordability Period (if any);
 - Applicant(s) or Co-Applicant(s) who have owned the Property for less than five years at the time of application to the HRP may be deemed eligible to participate in the program, as determined on a case-by-case basis by the Director;
 - An heir of a deceased Homeowner is exempt from the requirement to own the Property for a minimum of 5 years before applying for HRP but must meet income requirements;
2. Property taxes are current, deferred, or on an approved payment plan that's in good standing (the amount of delinquency on an approved payment cannot exceed \$1,000);
3. Property must be the homeowner's current principal residence at the time of application and throughout the process;
4. Total annual household income is at or below 80% of Area Median Income²;
5. All utility bills must be current or on a payment plan that's in good standing (the amount of delinquency on an approved payment plan cannot exceed \$500);
6. Applicant has either a (i) Transfer on Death Deed (ToDD) for the Property recorded in the real property records of the county where the Property is located; or (ii) other enforceable instrument to distribute the Property.

Transfer of Property in the Event of Death

Pursuant to consultation with their own legal counsel, Homeowners are required to have either (1) a Transfer on Death Deed (ToDD) for the Property recorded in the real property records of the county where the Property is located; or (2) other enforceable instrument to distribute the Property in the event of death, as approved by the Director in consultation with the City Attorney ("Transfer Instrument") in place for the duration of the construction period, after

² <https://www.huduser.gov/portal/datasets/il.html>

which Homeowner may revoke the Transfer Instrument. In accordance with the Disclaimer above, it is the Homeowner's responsibility to contact an attorney to obtain advice regarding: (1) how a Transfer Instrument may affect the Homeowner and/or the interests of others with interest in the Property during the construction period, and (2) after construction, how to revoke said Transfer Instrument, if so desired. If there is a Co-Applicant, Co-Applicant must be the primary beneficiary pursuant to the Transfer Instrument.

Duplication of Assistance or Benefits

No duplication of benefits or assistance is allowed under the HRP pursuant to state (as applicable) and federal law.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (the "Stafford Act"), includes provisions prohibiting a Duplication of Benefits ("DOB"). These provisions prohibit the use of federal disaster funds to provide disaster recovery assistance when insurance providers or other federal or state agencies have already funded all or a portion of the activity. Certain Public Laws appropriating CDBG-DR funds and applicable regulations may also include restrictions on DOB or a prohibition on the use of CDBG-DR funds to meet a match, share, or contribution requirement for any other federal program.

Subrogation and Assignment Agreement

The Applicant shall assign to the City any future funds received for the same purpose as those awarded or provided for with CDBG-DR, CDBG, or TIRZ funds. The Applicant is obligated to certify that they understand this requirement as outlined within the subrogation terms included in the Applicant's contract with the City.

Property Eligibility Requirements

1. Must not be in a floodway;
2. Must be located within the incorporated areas of the City of Houston;
3. Environmentally cleared;
4. Cost for Rehabilitation and Reconstruction are reasonable and consistent with market costs at the time and place of construction;
5. Applicant and any Co-Applicant must not have any liens, other than a first lien mortgage and/or a City imposed lien on Property at the time the award is distributed;
6. Must be a traditional detached stick-built single-family dwelling;
7. Must be owner occupied with no tenants/occupants renting their home. If there are household members over the age of 18 years of age, a notarized affidavit will be required to be signed by the applicant/co-applicant and that household member, stating they are not a tenant/occupant and are residing rent free.
8. Must be the Applicant's primary residence; and
9. Must meet floodplain requirements.

Properties in the Floodplain

The HRP must comply with the City of Houston Floodplain Ordinance as outlined in provisions of Chapter 19⁴, as implemented by the Floodplain Management Office (FMO).

Applicants can perform a property lookup at the following website: <http://msc.fema.gov/portal>.

⁴ [Chapter 19 - FLOODPLAIN](#) | [Code of Ordinances](#) | [Houston, TX](#) | [Municode Library](#)

Rehabilitation or Reconstruction of properties located within the floodplain is regulated by Chapter 19 of the City Code of Ordinances. When the Homeowner's Property address is located within the 100-year or 500-year Federal Flood Risk Management Standard (FFRMS) floodplain, HCDD will request a floodplain development permit from FMO to protect the health, safety, and welfare of the Homeowner.

The FMO is responsible for permitting all construction activity within the City of Houston's Special Flood Hazard Area under the provisions of the floodplain ordinance and regulations set by FEMA. Construction activities conducted on properties located in the 100-year or 500-year floodplain require a "Floodplain Development Permit" issued by the Floodplain Management Office.

Chapter 19 of the City's Code of Ordinance requires that "the lowest floor and all utilities must be elevated." An Elevation Certificate demonstrates that the structure is compliant with the floodplain ordinance (Chapter 19 of the Houston City Code) by **elevating the lowest floor and all utilities to at least the minimum flood protection elevation, which is 0.2% flood elevation plus 2 feet.**

The FMO documents the compliance with the elevation requirements and performance standards of the City's floodplain ordinance. Hence per Chapter 19 requirements, single-family structures must be elevated at least a minimum of 2 feet above the 0.2% base flood elevation (500-year floodplain) in the absence of any more stringent rules or requirements.

All elevation and mitigation must conform with HUD FFRMS found at 24 CFR Parts 50, 55, 58 and 200. A property that is substantially damaged or substantially improved in the 100- or 500-year flood plain must be mitigated at the highest standards available at the time whether under the FFRMS or the City of Houston Chapter 19, and the cost of repairs shall not exceed the program cap for an individual home.

The City's HCCD Minimum Construction Standards stipulate that for all home repair activities, the most restrictive Floodplain mitigation standard will be applied, whether HUD, General Land Office, or local (i.e. City of Houston Code of Ordinances, Chapter 19). The Home Repair Guidelines will be consistent with this policy.

Environmental Review

In accordance with 24 CFR Parts 50, 58, and 570, the Property of the Applicants applying for assistance under the HRP are subject to a review to evaluate impacts on the environment. The Property must pass an environmental review before being deemed eligible for HRP assistance.

Lead Based Paint

Properties built during or prior to 1978 will be assessed for lead-based paint and if present, this hazard will be removed in accordance with the Resident Lead-Based Paint Hazard Reduction Act of 1992 under Title X of the Housing and Community Development Act and the HUD Lead Safe Housing Rule under 24 CFR Part 35.

Pursuant to 24 CFR § 35.115, which outlines exemptions from lead-based requirements, properties built prior to 1978 that need emergency repairs may be exempt from lead-based paint requirements. Exemption allows for emergency actions immediately necessary to safeguard against imminent danger to human life, health, or safety, or to protect property from further structural damage (such as when a property has been damaged by a natural disaster, fire, or structural collapse). The exemption applies only to repairs necessary to respond to the emergency. The Lead Based Paint requirements of subparts

B through R of 24 CFR Part 35⁵ shall apply to any work undertaken after, or above and beyond, the necessary emergency actions.

Ineligibility

Applicants may be deemed ineligible for any of the following reasons, note that the list below is not all-encompassing:

1. Applicant(s) is not owner(s) of record of the Property for 5 or more years at the time of application to the HRP;
2. Property is not applicant's current principal residence for at least 5 years at the time of application and throughout the process;
3. Applicant has tenants/occupants residing in the home to be assisted;
4. Title issues;
5. Senior lienholder refuses to sign subordination agreement;
6. Reverse mortgage exists;
7. Failure to complete Non-Resident Homeowner Consent and Acknowledgement Affidavit, if applicable;
8. Pending bankruptcy or foreclosure, property taxes not current or deferred, payment plan not current or the amount on a payment plan exceeds \$1,000;
9. Utility payment(s) is not current, payment plan not current or the amount on a payment plan exceeds \$500.
10. No Transfer on Death Deed for the Property recorded in the property records for the county where the Property is located (or other Transfer Instrument(defined above));
11. Property not located within the incorporated areas of the City of Houston;
12. Property is not the homeowner's (Applicant's) primary residence;
13. Property is a rental, vacation or secondary home, townhouse, condominium, and/or manufactured house; and/or
14. Property is located in floodway.

Occupancy Requirement

The Homeowner shall occupy the Property as their primary residence during the applicable Affordability Period. During the affordability period, the Homeowner cannot occupy a principal residence and a secondary residence at the same time nor establish a secondary residence. However, if the Homeowner receives further assistance from the HRP or assistance from another program that requires temporary vacancy of the Property to complete repairs or replacement of the dwelling unit, then the Director, in their sole discretion, may waive the HRP Occupancy Requirement only for the period of temporary vacancy.

The principal residence requirement exists to ensure the Program supports its intended purpose: easing the life, health, and/or safety hazards resulting from substandard conditions in a home owned and occupied by a qualified low- and moderate-income person.

If there is a conflict between the terms of the HRP (as they may be amended from time to time) and those of the other program, the more restrictive terms shall apply.

⁵ [eCFR :: 24 CFR Part 35 -- Lead-Based Paint Poisoning Prevention in Certain Residential Structures](#)

Property Insurance

Homeowners must maintain property insurance, and, if applicable, flood insurance for assisted Properties in accordance with all applicable laws or regulations, and the Guidelines. If the Homeowner fails to maintain the property insurance required by this paragraph or fails to notify any transferee of the Property of such insurance requirements, and the Property is damaged by a future disaster, then the Homeowner may not be eligible for future assistance. In addition, if the Homeowner resides in the 100-year or 500-year floodplain and fails to maintain flood insurance, then the Homeowner will not be eligible for any further assistance.

Program Withdrawal

Administrative Withdrawal

Applicants may be administratively withdrawn from the HRP for multiple reasons including but not limited to:

- An incomplete application or failing to submit an acceptable application by the deadline;
- Submitting false or misleading information;
- Failing to provide all required supporting documents by the deadline;
- Total annual (household) income exceeds 80% of the most current HUD AMI limits;
- Being a recipient of prior assistance and failing to maintain required property and or flood insurance;
- Property is a secondary residence, rental property, vacation residence, townhouse, condominium, and/or manufactured home;
- Aggressive, disrespectful and/or abusive behavior towards an HCDD employee, representative or HRP affiliate either by Applicant or Communication Designee; and/or
- Ineligible Property.
- Refuse to vacate property and remove belongings to commence construction.

APPLICANT(S) WHO ARE ADMINISTRATIVELY WITHDRAWN FROM THE HRP WILL NOT BE ALLOWED TO REAPPLY UNTIL AFTER 6 MONTHS FROM THE DATE OF BEING WITHDRAWN. This 6-month waiting period does not apply to applicants affected by limited funding.

Voluntary Withdrawal

An Applicant can voluntarily withdraw from the HRP at any time prior to execution of Project Documents (see Definitions section). Applicants must provide a written notice via email to 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: Home Repair Program Intake Section

The written notice must include the Applicant's name, Property address, and the reason(s) for withdrawing. HCDD will send a written acknowledgement of the Applicant's voluntary withdrawal. Applicants who voluntarily withdraw from the HRP will be required to re-apply, if at a later date, the Applicant desires to participate in the HRP.

Types of HRP Assistance

Rehabilitation or Reconstruction Assistance Overview

An HRP Inspector will perform an initial inspection to determine the level of assistance needed to remedy conditions that present threats to the life, health, and safety of the household. The table below indicates the levels of assistance available through HRP, as determined by the cost of repairs. The ranges of cost of repairs below is inclusive of Change Orders (see [Definitions](#) sections) but does not include other site-specific costs addressing elevation, environmental, lead, asbestos, mold, resiliency, accessibility, and local neighborhood requirements (Homeowner Associations).

Assistance Levels	Cost of Repairs	Affordability Period	Percentage forgiven annually*
Emergency & Minor Rehabilitation – Tier I	≤\$50,000.00	None	Not Applicable
Moderate & Substantial Rehabilitation – Tier II	≥\$50,000.01 to \$80,000.00	5 years	20%
Substantial Gut Rehabilitation** – Tier III	≥\$80,000.01 to \$200,000.00	10 years	10%
Reconstruction – Tier III	≥\$80,000.01 to \$250,000.00 (With Director approval, additional funding up to \$50,000.00 may be available only for site-specific costs, not included in the base cost, due to homeowner association requirements, deed restrictions, elevation requirements, accessibility enhancements, and asbestos remediation or other environmental issues or health and safety hazards for Reconstruction projects only)	10 years	10%
<p>* Level of assistance forgiven annually is a percentage which is applied to the total amount of assistance provided, not the outstanding level assistance yet to be forgiven.</p> <p>** Substantial Gut Rehabilitation assistance may be provided on a case-by-case basis when the integrity of the Property's foundation is deemed sufficient to withstand construction, taking into consideration certain factors which are further discussed under the "Reconstruction/Substantial Gut Rehabilitation – Tier III" section of the Guidelines.</p>			

Tier I assistance is offered in the form of a grant. Tier II and Tier III assistance is offered in the form of a zero percent interest, deferred, Forgivable Loan that is secured by a lien on the Property. HCDD will take a second lien position if a first lien exists. In cases where a second lien exists by the same lienholder, HCDD may take a third lien position, as determined by the Director on a case-by-case basis. The duration of the forgivable loan is referred to as the Affordability Period. During the Affordability Period the amount of assistance that is provided will be forgiven/reduced on an annual pro-rated basis for each year the Homeowner continues to occupy the Property as their primary residence, with no credit given for partial years completed. The Affordability Period begins to run from the date the Homeowner signs the Acceptance Form and ends on the Maturity Date.

Emergency and Minor Repairs – Tier I

Tier I assistance is offered in the form of a grant.

Emergency Repairs

When the current condition of the Property presents an imminent danger to life, health, and safety, the Homeowner may qualify for emergency assistance. Emergency repairs only address conditions in the home which could reasonably be expected to cause death or serious physical harm immediately or in the near future. Service provision for Homeowners in need of emergency assistance will be expedited. The cost of repairs cannot exceed \$50,000, including Change Orders, unless the Director has authorized an eligible residence cost waiver. Emergency Repairs are intended to alleviate the emergent life, health, or safety hazards which may include but are not limited to:

- Roof repairs/replacement,
- Gas leak, plumbing (domestic water lines and sanitary waste lines),
- HVAC repairs/replacement,
- Electrical (Panel Box and Ground Fault Circuit Interrupter)

Minor Rehabilitation

When the current condition of the Property does not present an imminent danger to life, health, and safety, the Homeowner may qualify for Minor Rehabilitation Assistance. The cost of repairs, including Change Orders as a result of any unforeseen condition, cannot exceed \$50,000, unless the Director has authorized an eligible residence cost waiver. Repairs that are the result of prolonged deferred maintenance to the home may include but are not limited to:

- Roof repairs/replacement,
- Plumbing (domestic water lines and sanitary waste lines),
- HVAC repairs/replacement,
- Electrical (Panel Box and Ground Fault Circuit Interrupter),
- Exterior siding/trim, and/or
- Windows, doors (exterior/interior) and trim.

Moderate and Substantial Rehabilitation – Tier II

Moderate and Substantial Rehabilitation may include rehabilitation to a limited and specific area or portion of the Property structure. It is not the intent of this assistance to remodel properties, but to conserve and preserve the existing home. These repairs include but are not limited to:

- Structural,
- Exterior siding/trim,
- Windows, doors (exterior/interior) and trim,
- Roof repairs/replacement,
- Substantial systems (i.e., HVAC),
- Water, and wastewater
- Flooring repair/replacement (subflooring/finish flooring),
- Drywall repair/replacement, and/or
- Complete electrical upgrade.

Moderate Rehabilitation

Moderate or Substantial Rehabilitation costs between \$50,000.01 to \$80,000.00, including Change Orders. (If unforeseen conditions result in Change Orders causing the total cost of a Tier II Moderate or Substantial Rehabilitation to exceed \$80,000.00, (i) the Director, in their sole discretion, may approve a

cost waiver to exceed the Tier II \$80,000.00 ceiling, or (ii) the Project may be recommended as a Tier III Reconstruction or Substantial Gut Rehabilitation.) Tier II assistance is offered in the form of a 5-year, zero percent interest, deferred, forgivable loan, secured by a lien on the Property. During this 5-year period, also referred to as the Affordability Period, the amount of assistance will be forgiven/reduced on an annual pro-rated basis for each year the Homeowner continues to occupy the home as their Primary Residence.

Should the Homeowner default, sell or otherwise convey their ownership interest in the Property during the Affordability Period the remaining prorated amount of assistance will become immediately due and payable.

Reconstruction and Substantial Gut Rehabilitation – Tier III

Properties requiring repairs that exceed fifty percent (50%) of the cost to rebuild the home (in accordance with its current configuration), or properties requiring repairs that exceed \$80,000.01, may qualify for Tier III Reconstruction or Substantial Gut Rehabilitation assistance.

Properties that qualify for Reconstruction will be demolished and reconstructed on the same site. The reconstructed home (living area square footage) may be smaller or larger than the existing home depending on household composition and need. The replacement home will be constructed according to the market rates for new construction in the Houston area. The base cost of Reconstruction may not exceed \$250,000.00. If, and only if, funding is available and the Director approves it, additional funding up to \$50,000.00 may be available for site-specific costs due to homeowner association requirements, deed restrictions, elevation requirements, accessibility enhancements, and asbestos remediation or other environmental issues or health and safety hazards.

Tier III assistance is offered in the form of a 10-year, zero percent interest, deferred forgivable loan, secured by a lien on the Property. During this 10-year Affordability Period, the amount of assistance will be forgiven/reduced on an annual pro-rata basis for each year the Homeowner continues to occupy the Property as their Primary Residence. The lien on the Property will be removed upon completion with the terms and conditions of all HRP documents and completion of the Affordability Period.

Should the Homeowner default, sell or otherwise convey their ownership interest in the Property during the Affordability Period, the remaining prorated amount of assistance will become immediately due and payable.

Properties qualifying for Tier III assistance may be considered for Substantial Gut Rehabilitation assistance on a case-by-case basis, when the cost of repairs do not exceed \$200,000 (inclusive of Change Orders), and where the integrity of the home's foundation is deemed sufficient to withstand construction, taking into consideration factors such as: HOA requirements; historical preservation obligations; the warranted benefit over program new home design standards, when considering current household composition and the Properties existing structural configuration; and neighborhood aesthetics.

A Substantial Gut Rehabilitation shall include the general replacement of structural elements (interior and exterior) such as flooring systems, roofing systems, columns or load bearing interior or exterior walls, removal of plaster or sheetrock from ceilings and walls back to the rafters and studs and replacing

them with new sheetrock, insulation in walls and attic spaces, some or all trim, windows and doors, plumbing and electrical/mechanical systems.

If a home is eligible for Substantial Gut Rehabilitation, but the structural integrity of the home is deemed insufficient to support a period of livability similar in duration to that of a Tier III Substantial Gut Rehabilitation, the home will be recommended for Tier III Reconstruction.

For properties located in the 100-year or 500-year floodplain, the estimated cost of repairs **must be** less than fifty percent (50%) of the market value of the structure to qualify for Substantial Gut Rehabilitation Assistance in accordance with City of Houston Ordinance – Chapter 19. The project will require a Floodplain Development Permit issued by the Floodplain Management Office (FMO). An Elevation Certificate is needed to obtain the Floodplain Development Permit. The Elevation Certificate is used by the FMO to document the home's compliance with the elevation requirements and performance standards of the City's floodplain ordinance. Structurally sound properties with substantial damage located within the 100-year or 500-year floodplain are required to meet the minimum flood protection elevation standards, as per Chapter 19 of The City of Houston Floodplain Ordinance.

Based on the additional cost and federal permitting requirements for proposed construction within the 100-year or 500-year floodplain, Substantial Gut Rehabilitation projects require approval by the HCDD Director.

Moving and Storage & Temporary Relocation Assistance

Moving and Storage

Based on funding availability, the HRP will offer moving and storage services, but if funding is unavailable, Homeowners will be responsible for moving and securing their personal belongings at their sole expense. If a Homeowner is unable to move their belongings within two weeks of notice, they may be administratively withdrawn from the program prior to execution of Project Documents.

The moving and storage service shall be provided by an HCDD procured organization. The organization may provide all materials and labor required to pack and move a Homeowner's personal belongings, from the Homeowner's home to the organization's storage facility and back to the Homeowner's home upon completion of Reconstruction or Rehabilitation at no expense to the Homeowner.

In the event the Homeowners elect to not use the moving and storage service, they shall have the option of obtaining packing materials to pack their personal belongings, at their sole expense. The HRP nor City nor the moving and storage organization shall be responsible or liable for any damage to personal belongings packed by the Homeowner. HRP staff will inform the Homeowner of the basic 60 cents per pound insurance coverage provided by the moving and storage organization for damages to personal belongings. Homeowners will be encouraged to consider purchasing additional insurance from the moving and storage organization, at Homeowners sole expense, for damages to personal belongings.

Moving and storage assistance may be provided based on Tier determination as follows:

- Moderate/Substantial Rehabilitation (Tier II): Homeowners, when applicable, will be provided a container “Pod” for on-site storage or offered off-site storage, contingent upon funding availability.
- Reconstruction/Substantial Gut Rehabilitation (Tier III): HCDD will offer Homeowners moving and off-site storage and temporary relocation assistance, contingent upon funding availability.

Temporary Relocation Assistance

Based on funding availability, temporary relocation assistance (TRA) may be provided under certain conditions, in accordance with [08-012 HRP Optional Relocation Policy](#). TRA consists of moving and storage and temporary rental assistance available to all eligible Homeowners that voluntarily choose to receive assistance through the HRP. Eligible Homeowners are not required to move permanently but may be required to temporarily move out of their home during construction for no longer than 12 months. TRA may be offered before commencement of construction, when the need for repairs pose an immediate risk to health and safety of the Homeowner. If funding is unavailable, the Homeowner(s) will be responsible for finding alternate housing at their sole expense. If the Homeowner is unable to find alternate housing, within 30 calendar days, the HRP reserves the right to administratively withdraw the Homeowner from the program.

The Director or their authorized designee shall have discretion on a case-by-case basis to increase the maximum amount for TRA based on funding availability. If TRA is granted, relocation will follow the Single Family Optional Relocation Policy as amended from time to time.

When the HRP is aware that construction will exceed the expected 120 days and a Homeowner is nearing a temporary relocation period of ninety 90 days, construction completion will be expedited, and bi-weekly homeowner progress meetings will be held with the Homeowner.

Before, During, and After Construction

Homeowners will be held to certain responsibilities within this voluntary program, including but not limited to

- Payment of Utilities
- Preparing Property for Repairs
- Attend Homeowner Progress Meetings
- Insurance Claim Proceeds

Payment of Utilities

Homeowners shall be responsible for payment of 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.

Initial Inspection

An HCDD inspector will visit the Property to conduct an initial inspection (also referred to as a “Damage Assessment”) of the Property to determine the level of damage to the Property and the option(s) available to the Homeowner. This inspection will take place after eligibility determination, but before any construction

Environmental Review

After an application has been preliminarily approved pursuant to the eligibility requirements of these guidelines, an Environmental Review Record (ERR) 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 Part 58, Subpart E unless otherwise described.

Where appropriate, the ERR will be performed under a broad (tiered) umbrella environmental review, per HUD regulations at 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 allow the City to receive an Authority to Use Grant Funds (AUGF) prior to properties being identified, so that site-specific ERRs for the identified properties for factors not clearable at a Broad level do not have to be reviewed by HUD individually.

The tiered ERR will consist of a broad review (including a written strategy), and site-specific checklist for each project location. For an activity determined to be exempt according to 24 CFR § 58.34 or categorically excluded activities not subject to 24 CFR § 58.5 pursuant to 24 CFR § 58.35(b), the ERR will consist only of documentation of compliance with the Statutes and Regulations listed at 24 CFR § 58.6.

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 broad, tiered 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) flood plain. 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 Part 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.

Pre-Construction Conference

The mandatory pre-construction conference will be scheduled by HCDD. The assigned Contractor, HCDD inspector, and Homeowner (and Co-Participant, if applicable) must attend the scheduled pre-construction conference at the Homeowner's Property whose home will undergo construction to review and discuss pertinent information regarding the construction, moving and storage, relocation, and other requirements.

Preparing Property for Repairs

Homeowners will have up to 30 calendar days from signing the Project Initiation Document to prepare their home for program assistance. If a Homeowner is unable to prepare his/her home within the 30 calendar days, the HRP may allow the Homeowner an additional two weeks to prepare the home.

Note: Due to the urgency of Emergency Repair assistance, upon notification by the HRP Project Manager, the Homeowner(s) must prepare his/her home for access immediately.

All inoperable or abandoned vehicles must be removed from the Property prior to the start of the project. Failure on the part of the Homeowner to timely prepare the Property for rehabilitation or demolition and/or manage the utilities will delay commencement of the work and may cause the Homeowner to be administratively withdrawn from the program.

Neither the City, HCDD, nor Contractors shall be held liable for theft or any damage to any Homeowner's personal belongings. Liability for theft and/or damage to any personal belongings will adhere to the parameters outlined in the moving and storage contract.

Attend Homeowner Progress Meetings

The purpose of the Homeowner Progress Meeting (HPM) is to inform Homeowners nearing the 120-day relocation threshold of their construction status and an anticipated move-back date. Homeowners will be notified of circumstances that will or have caused construction delays beyond the initial Notice to Proceed (NTP) completion date or as amended by Change Order(s). The HCDD Project Manager is responsible for ensuring the assigned HCDD Inspectors conduct the HPM with the Homeowner(s) at least five (5) business days after the determination that completion of the required rehabilitation or reconstruction work will exceed 120 days.

At this meeting, the Inspector or Project Manager (when required), will discuss circumstances that will or have caused construction delays, answer questions the Homeowner may have due to the delay, provide the Homeowner with a revised estimated completion date, move-back date and complete the HPM Form. At the discretion of the Homeowner, the meeting may take place at the Homeowner's temporary residence or at the HCDD office.

When it has been determined that an HRP Project will exceed the 120-day threshold, the Project Manager via email, shall within 1 business day, request the awarded General Contractor to prepare and submit an accelerated Progress Schedule within 3 business days of the date of the email for all Projects exceeding the 120-day threshold. Upon receipt, the Project Manager shall review the accelerated Progress Schedule with the General Contractor to ensure it's achievable to complete the Scope of Work prior to the 12-month displacement threshold.

The Project Manager shall schedule weekly meetings with the awarded General Contractor(s) until all Projects exceeding the 120-day completion threshold have been completed.

Additionally, the Project Manager via email, shall provide a copy of the General Contractor's accelerated Progress Schedule to the assigned Inspector together with instructions to (1) conduct inspections of the Project work site no less than twice weekly to ensure the General Contractor adheres to the accelerated Progress Schedule for projects between 5 and 8 months, (2) complete and maintain inspection reports, (3) take and maintain date/time stamped photographs of the work site, (4) notify the Project Manager when the General Contractor fails to comply with the accelerated Progress Schedule, (5) conduct bi-

weekly HPM's with Homeowners who have been out of their home between 5 and 8 months, (6) conduct inspections of the Project work site no less than three times per day per week for projects between 8 and 12 months, and (7) conduct weekly HPM's with Homeowners who have been out of their home between 8 and 12 months.

Insurance Claim Proceeds

If an insurance check is received for damages to a Program Property in the amount of \$10,000 or more, the progress of repairs to the Property may be monitored by the City and, under certain circumstances, the insurance proceeds may be deposited in an escrow account maintained by the City or the senior lender.

Death of the Homeowner

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

If a Homeowner receiving any Tier of assistance becomes deceased before the Tri-Party Agreement is executed *and there is a Co-Participant*, then the Co-Participant shall continue obligations under the original terms of the Project Documents, as they may be amended, including any applicable Affordability Period.

If a Homeowner receiving any Tier of 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 HRP as a new Applicant in their own right by providing all required documentation.

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

If a Homeowner receiving any Tier of assistance becomes deceased after the Tri-Party Agreement is executed *and there is a Co-Participant*, then the Co-Participant shall continue their obligations under the original terms of the Project Documents, as they may be amended, including any applicable Affordability Period.

If a Homeowner receiving any Tier of assistance becomes deceased after the Tri-Party Agreement is executed *and there is not a Co-Participant*, then the surviving heir(s) may request one of two options:

- Payoff of the Forgivable Loan; or
- Assumption of the Forgivable Loan

Payoff of the Forgivable Loan

The surviving heir(s) may 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 processed after the payoff is complete.

Assumption of the Forgivable Loan

The surviving heir(s) can submit a request to HCDD that will allow surviving heirs, if HCDD determines they meet the HRP eligibility requirements, to assume the original terms of the Forgivable Loan. The

heir(s) must provide proof of inheritance⁷ and clear title to the Property and agree to reside on the Property as their principal residence for the remainder of the Affordability Period. The heir(s) must execute an HRP Loan Assumption and Modification Agreement, Amended and Restated Deed of Trust, and any other documents as the Director, in consultation with the City Attorney, may require.

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.

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

If a Homeowner receiving Tier 2 or Tier 3 assistance becomes deceased *after* the Acceptance Form is fully executed, but before the end of the applicable Affordability Period, *and there is a Co-Participant*, then the Co-Participant shall continue their obligations under the original terms of the Project Documents, as they may be amended, including the applicable Affordability Period.

If a Homeowner receiving Tier 2 or Tier 3 assistance becomes deceased *after* the Acceptance Form is fully executed, but before the end of the applicable Affordability Period, *and there is not a Co-Participant*, then the City may forgive the Forgivable Loan, or the heir(s) shall continue the Homeowner's obligations during the Affordability Period.

Contractor Requirements

Contractor Procurement

The 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.

Prior to procuring the Contractor, the 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.

Award or Assignment of an Individual Project

Initial Contractor Assignment

For the first round of Project assignments under a particular Request for Proposal (RFP), HCDD will distribute one Project to each Contractor.

Assignment of Additional Projects

To assign additional Projects, HCDD may use, in the Director's sole discretion, either: (1) the standard bid award method in which HRP Contractors bid on an HRP Project, or (2) the Contractor assignment

⁷ As accepted by the Director in consultation with the City Attorney, as applicable.

method, using Composite Pricing, to assign HRP Contractors to Projects for the Program without requiring a separate bidding process for each home.

Bid Award Method

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

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 Composite Pricing to the Scope of Work in order to generate a Project price/contract value.
3. *Performance Evaluation*: HCDD will evaluate each Contractor's Project according to the criteria set forth in the Project Documents and these Guidelines. To summarize, HCDD will evaluate the Contractors according to the Single-Family Contractor Scorecard⁸ 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, Punchlist 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. Tri-Party Agreements 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.
4. *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.

Under Step 2 of the Contractor assignment methodology, HCDD will use Composite Pricing. 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.

⁸ HCDD may amend the Contractor Scorecard from time to time.

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 shall be by written notice to the Contractor at least thirty (30) calendar days prior to the effective date of any change in Composite Pricing amounts. The notice shall 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 shall 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 shall become effective, and the Contractor shall adjust their performance and invoicing accordingly. The Director's decision regarding the adjustment of Composite Pricing amounts shall be final.

Construction

HCDD inspectors will perform field/progress inspections to ensure contract requirements have been satisfactorily fulfilled.

Minimum Construction Standards

In accordance with HCDDs' Minimum Construction Standards, the HRP will address the design and construction requirements and standards to ensure that all residents live in safe, habitable dwellings; and that the items and components located inside the building, outside the building, and within the units of housing are functionally adequate, operable, and free of health and safety hazards.

Change Orders

The total cost of repairs, including Change Orders, cannot cause the total cost of repairs to exceed \$200,000 for Rehabilitation and \$250,000 for Reconstruction unless authorized by the Director. The maximum amount for each tier is:

- Emergency and Minor Rehabilitation – Tier I ≤ \$50,000.00
- Moderate & Substantial Rehabilitation – Tier II ≥ \$50,000.01 to \$80,000.00
- Substantial Gut Rehabilitation** Tier III ≥ \$80,000.01 to \$200,000.00
- Reconstruction – Tier III ≥ \$80,000.01 to \$250,000.00

With Director approval, additional funding up to \$50,000.00 may be available only for site-specific costs, not included in the base cost, due to homeowner association requirements, deed restrictions, elevation requirements, accessibility enhancements, and asbestos remediation or other environmental issues or health and safety hazards for Reconstruction projects only.

Final Inspection

Before any assisted Property is returned to the Homeowner, an HCDD inspector will conduct a final inspection to identify any deficiencies. The deficiencies will be corrected before the home is returned to the Homeowner.

Construction Close-Out

Construction close-out occurs upon completion of the required Rehabilitation or Reconstruction scope of work, punch list items 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 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 has been completed.

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.

Project Close-Out

Project close-out occurs upon release of the Contractors 10% Reserve aka Retainage, verification that all required project documents related to intake, contracts, Construction and Contractor payments and invoicing have been uploaded to HRP system of record i.e., OnBase.

Monitoring Throughout Lien Period

Recapture Policy

It shall be considered a Default if the Homeowner violates, 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 Homeowner pertaining to this program. The City of Houston reserves the right to recapture to the fullest extent of applicable law.

Should the Homeowner Default, sell or otherwise convey their ownership interest in the Property during the Affordability Period the remaining prorated amount of assistance will become immediately due and payable.

Monitoring

On an annual basis, the HCDD Compliance and Grant Administration Section shall verify compliance with the terms of the Project Documents.

HCDD reserves the right to periodically monitor properties to determine if the Property was transferred or sold during the Affordability Period and the time the lien is active. The following sources of verification may be used:

- Annual tax record review of the applicable appraisal district or tax assessor-collector's online records

- Self-certification letters
- Site visit
- Lien and ownership search in the applicable County Clerk's Office online records

Sale or Transfer of Property

If a Property is sold or transferred before the lien matures, the remaining principal balance of the HRP assistance must be paid to the City.

Releases of Liens

HCDD will release the lien and consider the Forgivable Loan forgiven: (1) upon the maturity date of the applicable Affordability Period if the Homeowner has not defaulted, (2) upon payoff of the Forgivable Loan, or (3) upon the death of the Homeowner during the applicable Affordability Period, in accordance with these Guidelines, particularly the provisions of the Sections entitled "Death of the Homeowner" and "Transfer of Property in the Event of Death."

Verification of Property Insurance

If required, property insurance and/or flood insurance must be maintained for the assisted property by the Homeowner throughout the Affordability Period and must be furnished upon request. Failure to maintain required property insurance and/or flood insurance shall be deemed a Default.

Pay Off Statement

Homeowners who opt to repay the loan or are required to repay the loan and do so, the HCDD single family loan servicing section, will provide written confirmation that the Homeowner has repaid the loan.

Complaints and Appeals

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, 9th Floor

Houston, TX 77002

Phone: 832-394-6200 ext. 8

Email: hccddcomplaintsappeal@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.

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
- 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, 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)

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 an appeal to Tier II, after completing all requirements under a Tier I appeal. If a request for a Tier II appeal is approved, the file will be reviewed by the ARC within 30 days, as practicable. The ARC will notify the Program Applicant of its decision in writing. The ARC decision shall be final.

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

<https://www.houstontx.gov/housing/appeals.html>

Cross-Cutting Federal Regulatory Considerations

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)/telephone 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 people 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 Homeowners 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://portalapps.hud.gov/FHEO903/Form903/Form903Start.action?lang=en>

Davis-Bacon Labor Standards

Under [Section 110\(a\) of the Housing and Community Development Act of 1974 \(HCDA\)](#), laborers and mechanics employed by Contractor's, subcontractors on construction work "financed in whole or in part" with CDBG assistance must be paid not less than wages determined to be prevailing on similar construction work in the locality by the Secretary of Labor per Davis Bacon Act. DBRA will not apply to this Program as properties rehabilitated or re-constructed will be on a divided lot with fewer than 8 units and the reimbursement option is not a covered activity.

Equal Employment Opportunity

Executive Order 11246, Equal Employment Opportunity, as amended, prohibits federal contractors and federally assisted construction contractors and subcontractors who do over \$10,000 in government business in one year from discriminating in employment decisions based on race, color, religion, sex, sexual orientation, gender identity, or national origin. The Executive Order also requires government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment. This regulation is adhered to within HCDD 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](#)

Housing Discrimination

The Fair Housing Act protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities. No person shall 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. Homeowners that feel they have been discriminated against can contact:

Reports of housing discrimination can be made to:

U.S. Department of Housing & Urban Development

Discrimination inquiries and/or complaints

800-669-9777 (Voice)

1-800-927-9275 (TTY)

<https://www.hud.gov/contactus/file-complaint>

Texas Workforce Commission

Civil Rights Division

1-888-452-4778 (Voice)

1-800-735-2989 (TTY)

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 U.S. Department of Housing and Urban Development (HUD) regulations.

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.

Fair Labor Standards Act of 1938, as Amended

The Fair Labor Standards Act of 1938, as amended (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 40 hours of work in a workweek. These labor standards are applicable to the entire construction contract, regardless if CDBG funds finance only a portion of the project.

Limited English Proficiency & Title VI of the Civil Rights Act of 1964

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 shall 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.

Minority Women Small Business Enterprises

The Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned Business Enterprises (MBEs). 2 C.F.R. § 200.321 requires the non-federal entity to take all necessary affirmative steps to ensure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible and for the non-federal entity to require its prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of 2 C.F.R. § 200.321(b).

Contractors shall comply with the City’s Minority and Women Business Enterprise (“MWBE”) programs as set out in Chapter 15, Article V⁹ of the City of Houston Code of Ordinances and the applicable Office of Business Opportunity’s (“OBO”) Policies and Procedures.¹⁰ Contractors shall 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”). Contractors acknowledge that it has reviewed the requirements for good faith efforts on file with OBO and will comply with them. Good Faith Efforts

⁹ [Houston City Code, Chapter 15 Article V](#)

¹⁰ <https://www.houstontx.gov/obo/policies-procedures.html>

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 [Section 3 and MWSBE Compliance Forms Packet](#) for more information.

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

Section 3

Work performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 USC §1701u) ("Section 3") The City complies with Section 3 requirements to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted developments covered by Section 3 shall, to the "greatest extent feasible", be directed to low- and very low-income persons, including persons who are recipients of HUD assistance for housing, with a preference for both targeted workers living in the service area or neighborhood of the Development and Youth Build participants, as defined at 24 CFR Part 75 ("Section 3 Regulations").

Pay or Play

Contractors shall comply with the City's Pay or Play Program, as set out in Executive Order No. 1-7¹¹. The Contractors should demonstrate that they have the willingness and ability to comply with the City's Contractors' Pay of Play Program.

Suspension and Debarment

HCDD shall 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 funds received by HCDD will undergo debarment verification. Entities that are determined to be debarred, suspended, or otherwise excluded will not be eligible to receive federal CDBG 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](#).

Renovation, Repair, and Painting Rule

HCDD complies with the 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

¹¹ <http://www.houstontx.gov/obo/popforms.html>

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.

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.

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 Part 58](#), HCDD will conduct an environmental review prior to awarding any federal CDBG funds for all projects or activities as outlined in the latest HCDD procedure [#21-16 Environmental Review SOP](#).

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 Home Repair Program Guidelines, 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 amended RARAP will set 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.

Uniform Relocation Act (URA)

The acquisition, rehabilitation, or demolition of real property using federal CDBG 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 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).

Subrecipients or Contractors must provide the following benefits to households or businesses that they displace¹²:

- A. Relocation advisory services;
- B. A minimum of 90-day notice to vacate;
- C. Reimbursement for actual reasonable moving expenses; and

¹² Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR § 24.208(h). All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

- D. Payments for added cost of renting or purchasing comparable replacement housing.

HCDD programs subject to the URA and Section 104(d) include the CDBG programs. HCDD policies and procedures, Notice of Funding Availability (NOFA), Applicant certifications and/or written agreements for CDBG funds subject to the URA and Section 104(d) shall refer to federal and states appropriate.

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 funds are used to acquire real property or personal property, the Property owner is responsible for ensuring per [2 CFR § 200.311](#) that:

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

Fraud, Waste, and Abuse

The Program is subject to, and will follow, HCDD's Policy# 21-10, Fraud Waste, and Abuse. Anyone with information regarding known or suspected misappropriation of CDBG 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.

Conflict of Interest

Applicants and Co-Applicants must complete and sign a Conflict-of-Interest Disclosure before CDBG funds are expended. This disclosure requires Applicants and Co-Applicants to disclose, under penalty of perjury, their immediate family members or business partner(s)¹³ 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.

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.

¹³ A 'business partner' is any person with whom an Applicant or Co-Applicant has business ties.

HCDD will follow the federal Conflict of Interest provisions in addition to the guidance provided in the City of Houston's Administrative Policy 2-22: Conflict of Interest that establishes the policy for how conflict of interest will be handled and the HCDD #01-40 Non-Procurement Conflict of Interest Policy that outlines the process for waivers.

In accordance with the conflict of interest regulations at 24 CFR § 570.611 and 24 CFR § 570.489(h), and contained in the contract between HCDD and GLO (as applicable), no person who is an employee, agent, consultant, officer, or elected or appointed official of the City, or of any designated public agency, or of a subrecipient receiving funds from the City under the HRP, CDBG, or CDBG-DR15 activities (each an "Assisted Activity"; collectively, "Assisted Activities"), (a) who exercises or has exercised any functions or responsibilities with respect to the Assisted Activities; or (b) who is in a position to participate in a decision-making process or gain inside information with regard to the Assisted Activities, may: (x) obtain a financial interest or benefit from the Assisted Activities or the proceeds thereof, or (y) have any financial interest in any contract, subcontract, or agreement with respect to the Assisted Activities or the proceeds of thereof, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

The 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 171¹⁴, 176¹⁵ and 553¹⁶; Chapter 36, Sections 36.02¹⁷ and 36.08¹⁸ and Chapter 39, Section 39.02¹⁹ of the Penal Code; Article VII, Section 4 of the City Charter²⁰; Chapter 14, Article II, Section 14-183²¹, Chapter 15, Article III, Sections 15-1²² (as amended by City Ordinance No. 2021-44²³), 15-55²⁴, & 15-56²⁵ and Chapter 18, Article I, Section 18-3²⁶ of the City of Houston's Code of Ordinances, Executive Order 1-28²⁷, A.P. 2-22²⁸, and the HCDD's latest Conflict of Interest Policy #01-040. Financial Management

The City of Houston, as a CDBG recipient, is required to follow the financial administration requirements outlined in 2 CFR § 200. These standards help ensure that the financial systems are put in place by the City:

¹⁴ <https://statutes.capitol.texas.gov/Docs/LG/htm/LG.171.htm>

¹⁵ <https://statutes.capitol.texas.gov/docs/lq/htm/lq.176.htm>

¹⁶ <https://statutes.capitol.texas.gov/Docs/GV/htm/GV.553.htm>

¹⁷ <https://statutes.capitol.texas.gov/Docs/PE/htm/PE.36.htm#36.02>

¹⁸ <https://statutes.capitol.texas.gov/Docs/PE/htm/PE.36.htm#36.08>

¹⁹ <https://statutes.capitol.texas.gov/Docs/PE/htm/PE.39.htm#39.02>

²⁰ https://library.municode.com/tx/houston/codes/code_of_ordinances/178617?nodeId=CH_ARTVIIICICO_S4REUPMECO

²¹ https://library.municode.com/tx/houston/codes/code_of_ordinances?nodeId=COOR_CH14CISE_ARTIIRU_DIV15RU15DIACGE_S14-183VICEST

²² https://library.municode.com/tx/houston/codes/code_of_ordinances?nodeId=COOR_CH15CO_ARTIINGE_S15-1PUOPRINCOPEINCI

²³ https://library.municode.com/tx/houston/ordinances/code_of_ordinances?nodeId=1066559

²⁴ https://library.municode.com/tx/houston/codes/code_of_ordinances?nodeId=COOR_CH15CO_ARTIICOPR_S15-55COIN

²⁵ https://library.municode.com/tx/houston/codes/code_of_ordinances?nodeId=COOR_CH15CO_ARTIICOPR_S15-56ETVAGUPR

²⁶ https://library.municode.com/tx/houston/codes/code_of_ordinances?nodeId=COOR_CH18ETFIDI_ARTIINGE_S18-3STCO

²⁷ <https://www.houstontx.gov/execorders/1-28.pdf>

²⁸ <https://www.houstontx.gov/adminpolicies/2-22.pdf>²⁹ The Federal Privacy Act of 1974, as Amended ([5 USC § 552a](#), [2 CFR § 200.303\(e\)](#))

- A. 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;
- B. Document that CDBG funds have been used only for authorized purposes. For CDBG this includes not only eligible activities but that the funded projects meet a National Objective;
- C. Maintain accounting records that show the sources and uses of CDBG funds, displaying authorized CDBG funds, obligated and unobligated balances, assets, liabilities, outlays or expenditures and income;
- D. Establish effective internal controls over all cash, real and personal property, and other assets acquired with program CDBG funds;
- E. Track actual program cost against program budget in a manner that relates to program productivity and accomplishments;
- F. 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;
- G. Maintain source documentation for accounting records;
- H. Implement procedures for cash management that permit timely disbursement to Applicants and subrecipients and complete and accurate monitoring and reporting; and
- I. Comply with [2 CFR § 200 subpart F](#).

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 funded activities.

The City Controller

The Office of the City Controller certifies the availability of CDBG funds prior to City Council approval of City commitments, processes and monitors disbursements, invests the City's CDBG 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 the release of CDBG funds as payment to Contractors and beneficiaries. HCDD is the grant manager for the CDBG allocation and is responsible for administering all programs outlined in the City's Local Action Plan.

Single Family Home Repair Division

The HCDD Single Family Home Repair Division is responsible for designing and implementing the Single Family Home Repair Program for the City of Houston.

Single Family Division

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

Finance Division

The HCDD Finance division is responsible for processing CDBG 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.

Planning and Grant Reporting Division

The HCDD Planning and Grant Reporting division is responsible for the City's CDBG 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.

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 [87 FR 31636](#). However, if any CDBG activities generate income before or after close-out of the grant, HCDD will retain program income to fund additional CDBG activities or to fund the repair, operation, or maintenance of existing CDBG activities. HCDD will comply with all HUD requirements and the program income waiver and alternative requirement in [87 FR 31636](#) and subsequent notices, including tracking program income in the IDIS and using program income before drawing additional grant CDBG funds. Specifically, the City will adhere to the program income policies and procedures as stated in the City's financial certifications.

Access to Records (State of Texas – City)

[24 CFR 570.490](#), Recording Keeping requirements and [2 CFR 200, Subpart D](#), Record Retention and Access to Records.

- A. Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.
- B. The State shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG 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 set forth in the Texas Public Information Act, Chapter 552 of the Texas Government Code, ("TPIA"). TPIA requests must be made in writing to the City's Public Information Officer and will be processed per the procedures outlines in the TPIA and applicable City Policies, such as Administrative Procedure 2-9, Guidelines for Responding to Requests for Public Information. In accordance with 24 CFR § 570.508 and notwithstanding 2 CFR § 200.337, HCDD shall provide the public with reasonable access to records regarding the past use of CDBG funds, consistent with applicable State and local laws regarding privacy and obligations of confidentiality.

The Federal Privacy Act of 1974, as Amended²⁹

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 Program is committed to protecting the privacy of all individual stakeholders, including the public and those individuals working on the program. The program's 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.

The data collected from Applicants for the Program may contain personal information on individuals that is covered by applicable federal and state laws, regulations, and rules. Effective September 1, 2019, the Texas Public Information Act makes confidential the personal identifying information of any person who applies for federal or state disaster funding. These laws provide for confidentiality and restrict the disclosure of confidential and personal information. Unauthorized disclosure of such personal information may result in personal liability with civil and criminal penalties. 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 State and local laws.
- 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.
- 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 and City Comptroller, and the Office of Inspector Generals.

Per HCDD [Personally Identifiable Policy #01-0411](#), 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.

Recordkeeping and Retention

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

²⁹ The Federal Privacy Act of 1974, as Amended ([5 USC § 552a](#), [2 CFR § 200.303\(e\)](#))

HCDD has established recordkeeping and retention requirements for the purposes of maintaining records to adhere to program requirements and applicable federal, state, and local regulations including, but not limited to, 24 CFR 570.503(b)(2)³⁰, Texas Government Code 552.004³¹, City of Houston Code of Ordinance Chapter 2, Article IV Division 5³², and HCDD Procedure #21-18 Records Management SOP.

File Management

The HCDD Record management section assists 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
- These records are managed efficiently and can be easily accessed and used for as long as they are required.

Reporting

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

- A. At execution of agreements;
- B. Monthly;
- C. Quarterly;
- D. Annually; and
- E. As required.

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

Audit

This program is subject audit at the federal and local level. The 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 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.

³⁰ <https://www.ecfr.gov/current/title-24/subtitle-B/chapter-V/subchapter-C/part-570/subpart-J/section-570.503>

³¹ <https://statutes.capitol.texas.gov/Docs/GV/htm/GV.552.htm>

³² https://library.municode.com/tx/houston/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTIVCIRE_DIV5MUREMA

Grammar and Term Definitions

Words used in these Guidelines in the singular, where the context so permits, shall be deemed to include the plural and vice versa. The definitions of words in the singular in these Guidelines shall apply to such words when used in the plural where the context so permits and vice versa. Capitalized terms that are not defined in these Guidelines shall have the same meaning as in the Project Documents.

Term Definitions

Acceptance Form – A written statement issued by 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 statement that identifies the heirs of a deceased property owner when there is intestate succession, recorded in the Deed records in the county where the Property is located.

Affordability Period – the period during which a homeowner must comply with the terms of the HRP. The period begins upon the date of the execution of the Acceptance Form by Homeowner and ends on the Maturity Date.

AMI – Area Median Family Income, as annually determined by HUD for the relevant geographic area.

Applicant – A person 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 Project.

Certificate of Compliance - 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 City's building code requirements.

Change Order – an amendment to the Work and/or Contract Price (as defined in the Project Documents) pertaining to a particular Project, submitted by Contractor and approved by Homeowner and the Director in writing in accordance with the Project Documents and the Guidelines.

City – the City of Houston.

Close-out – the point of the process where the program has finalized activities.

Co-Applicant – an additional Homeowner seeking to obtain assistance along with a primary Applicant. If there is a Co-Applicant, Co-Applicant must be the beneficiary pursuant to the Transfer Instrument.

Co-Participant – a Co-Applicant HCDD has approved for participation in the HRP.

Communication Designee – a third party authorized by the Applicant to obtain, release, and provide information to the HCDD on their behalf.

Community Development Block Grant (CDBG) – a federal program administered by HUD under Title I of the Housing and Community Development Act of 1974, as amended.

Competitive Sealed Proposal – the project delivery method authorized by Subchapter H of Chapter 271 of the Texas Local Government Code and required in connection with Rehabilitation and Reconstruction Projects under the Program.

Composite Pricing – shall mean the standardized prices that will be used to calculate the Contractor’s fees and will be used to determine the final cost for each project.

Construction – the process of building, altering, repairing, remodeling, improving, or demolishing a facility, structure, or property according to a plan or by a definite process.

Contractor – a City-procured, qualified professional or company responsible for executing the Work on a Property in the Program.

Damage Assessment – is the process of evaluating the physical condition of a property to identify the impact and damages sustained by a natural disaster, to aid in the response, recovery, and mitigation efforts.

Deed – is a legal document that transfers ownership of a property from one party to another.

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

Default – refers to an occurrence where a Homeowner and/or Co-Participant fails to meet the requirements outlined in the Project Documents including but not limited to Tri-Party Agreement, Promissory Note, Deed of Trust and any other related Program documents.

Director – the Director of HCDD or their 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” shall 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.

Elevation Certificate – means a statement from an engineer or surveyor licensed by the State of Texas on the most current FEMA form certifying that the lowest floor of the structure has been elevated at least as high as required by Chapter 19 of the City of Houston Code of Ordinances.

Emergency Repair (also referred to as the Tier I component) – shall mean repairs to remove imminent life, health, or safety hazards to an existing home with a cost less than or equal to \$50,000.00, including Change Orders.

Floodplain Management Office (FMO) – helps citizens of Houston learn more about the City’s floodplain, flood insurance, and ways to protect people and property from the effects of flooding.

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 chance 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 form of a loan, secured by a Deed of Trust, that is deferred and then forgiven at the end of the Affordability Period if all terms and conditions of the Program have been met.

Habitability – housing that is free of safety, health, and life-threatening hazards.

HCDD – City of Houston's Housing and Community Development Department.

Home Repair Program (HRP) – the City's Home Repair Program administered by HCDD in accordance with these Guidelines.

Homeowner – the owner of the Property whom HCDD has approved for participation in the HRP, or their successor in interest.

Household – All persons occupying the same housing unit, regardless of their relationship to each other.

Household Income – Total income of all persons over the age of 18 living in the Household.

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.

The Houston Special Flood Hazard Area (HSFHA) – defined under Chapter 19 of the City's Code of Ordinances.

HUD – the U. S. Department of Housing and Urban Development.

Low- to Moderate-Income – a person/household whose annual income does not exceed eighty (80%) percent of the AMI established by HUD for the City of Houston in effect at the time of the application.

Maturity Date – 5 years (for a Moderate or Substantial Rehabilitation) and 10 years (for a Substantial Gut Rehabilitation or Reconstruction) from the date the Homeowner signs the Acceptance Form.

Minimum Construction Standards – the [Minimum Construction Standards for Rehabilitation, Reconstruction and New Construction for Single Family Residences Version 5.5](#), as they may be amended, which provide the procedures, workmanship, and material standards required for the Rehabilitation and Reconstruction of single family residences.

Minor Rehabilitation (also referred to as the Tier I component) – repairs to remove life, health, or safety hazards to a Property with a cost less than or equal to \$50,000.00, including Change Orders.

Moderate Rehabilitation (also referred to as the Tier II component) – these repairs are made to remove life, health, or safety hazards to a Property, with a cost from \$50,000.01 up to \$80,000.00, including Change Orders.

Moving and Storage – Moving is provided to and from a homeowner's home. Simultaneously, storage is also provided in connection with a move to and from a homeowner's home. Both services are managed by the Single Family Division and performed by a vendor.

Non-Resident Homeowner – An individual with an ownership interest in the Property that does not occupy the dwelling as their primary residence.

Notice to Proceed – the written authorization issued by HCDD for the Contractor to proceed with Work, as set forth in the applicable Project Documents (as may be modified by a Change Order).

Occupancy Requirement – a condition within the Program or agreement that requires the Homeowner to own and occupy the Property as their Primary Residence during the Affordability Period.

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.

Power of Attorney – provides the authority to act for another person in health, legal, and/or financial matters.

Principal Residence – The primary home/property that the Homeowner inhabits. For HRP, the Property must remain the Homeowner's principal residence for the entire affordability period to avoid default. It may also be referred to as primary residence or main residence.

Program – The City's Single Family Home Repair Program, unless otherwise specified in the document.

Project – The Rehabilitation or Reconstruction to be done on a property under the HRP. Each project shall be subject to and governed by the terms and provisions of the HRP, as described in the Project Documents.

Project Documents – includes the Tri-Party Agreement, the Master Contractor Agreement, the Plans and Specifications, the Work Write-Up, Change Orders approved and executed by the Director (if any), the Guidelines and the procedures adopted pursuant thereto, the Baseline Schedule, the Notice to Proceed, the Certificate of Compliance, the Deed of Trust, the Promissory Note, Project Initiation Document, the Acceptance Form, and all other documents pertaining to, or executed in connection with the Work.

Project Initiation Document – a form issued by HCDD that is provided to the Homeowner, describing the Homeowner's, Contractor and City's pre-construction roles and responsibilities.

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 outlines the terms of the loan, including the amount borrowed, the interest rate (if any), the repayment schedule, and any collateral involved. The Promissory Note shall be in the amount of the Grant executed by Homeowner and payable to the City.

Property – traditional stick built, detached, single family dwelling unit built upon land located within the incorporated areas of the City, to be rehabilitated or reconstructed, as described in the Project Documents related to the Property.

Reconstruction (also referred to as the Tier III component) –the demolition and re-building of a Property, with a cost from \$80,000.01 up to \$250,000.00, including Change Orders, except that additional funds up to \$50,000.00 may be available, only if approved by the Director, for site-specific costs, not included in the base cost, arising from homeowner association requirements, deed restrictions, accessibility enhancements, and asbestos remediation or other environmental issues, or health and safety hazards, in which case, the total Project cost must not exceed \$300,000.00.

Rehabilitation – An Emergency Repair/Minor Rehabilitation, Moderate or Substantial Rehabilitation, or Substantial Gut Rehabilitation, as applicable, to restore a property to a habitable condition by removing life, health, or safety hazards.

Secondary Residence – The second home/property that the Homeowner inhabits part of the year in addition to their principal residence.

Scope of Work – the estimated amount of emergency repairs and Work necessary to be provided by a Contractor to rehabilitate or reconstruct the Property.

Substantial Gut Rehabilitation (also referred to as the Tier III component) – the general replacement of structural elements of a property, with a cost from \$80,000.01 up to \$200,000.00, including Change Orders.

Substantial Rehabilitation (also referred to as the Tier II component) – repairs to remove life, health, or safety hazards to a property with a cost from \$50,000.01 to \$80,000.00, including Change Orders.

Transfer Instrument – shall mean a legal document. Defined in the section above entitled “Transfer of Property in the Event of Death.”

Transfer on Death Deed – in the State of Texas it is 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 agreement between the City, Homeowner, and Contractor providing for the funding and Rehabilitation or Reconstruction of the Property repaired through HRP.

Temporary Relocation Assistance (TRA) – assistance provided for reasonable rent and utilities for Homeowners that have voluntarily participated in a home repair or reconstruction program who are required to temporarily move out of their home during construction for up to 120 days after commencement of construction. Homeowners are not required to move permanently but must relocate temporarily for no longer than twelve (12) months.

TIRZ Funds – Tax Increment Reinvestment Zone Funds authorized under Chapter 311 of the Texas Tax Code.

Work – the labor and materials necessary for Contractor to complete the Reconstruction or Rehabilitation of a Property under the terms of the Project Documents and these Guidelines.

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