Hurricane Harvey
Homeowner Assistance Program:
Regional Housing Guidelines
Houston-Galveston
Area Council (HGAC) East
(HGAC-E / Gulf Coast Region)

October 19, 2018

Texas General Land Office
Community Development and Revitalization
Disclaimer

The General Land Office Housing Guidelines provide guidance on how to design, implement, and close a Community Development Block Grant Disaster Recovery Housing Program and should not be construed as exhaustive instructions.

Any references contained in these Housing Guidelines may be updated or changed without notice to reflect the most up-to-date information available.

Regionally specific Housing Guidelines are based on the Housing Guidelines completed by GLO for all CDBG-DR Housing Programs. They provide guidance on how to design, implement, and close a CDBG-DR Housing Program and should not be construed as exhaustive instructions.

For questions regarding these guidelines, contact Jennifer Molinari, Director of Housing, at Jennifer.Molinari.glo@recovery.texas.gov
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# Table of Contents

Introduction ........................................................................................................................1

Program Objectives ...........................................................................................................3

Definitions ..........................................................................................................................4

Program Design .............................................................................................................. 10

Program Design Requirements .............................................................................. 10
National Objectives .................................................................................................... 10
Unmet Needs Analysis ................................................................................................. 10
Environmental Review ................................................................................................. 11
Proof of Event Damage ............................................................................................... 12
Size of Unit ................................................................................................................. 12
Timeliness of Application Status .............................................................................. 14
Affirmatively Furthering Fair Housing ......................................................................... 14
Cost-Effectiveness Verification .................................................................................. 15

Housing Assistance Caps ............................................................................................. 15

Affirmative Marketing Outreach Plan ........................................................................... 16

Reporting Requirements ............................................................................................. 17
Section 3 .................................................................................................................... 17
Applicant Data ............................................................................................................ 17
Records Retention ..................................................................................................... 18

Site and Development Restrictions ............................................................................... 18
General Standards ....................................................................................................... 18
Lead-based Paint ........................................................................................................ 18
Housing Quality Standards (HQS) .............................................................................. 18
Standards for Rehabilitation of Non-Substantial Damaged Residential .................... 19
Resilient Home Construction Standards ..................................................................... 20
Accessibility ................................................................................................................ 20

Conflict of Interest ................................................................................................... 20

Complaint/Appeal Process ......................................................................................... 20
General Policy ............................................................................................................. 20
Responsibilities ......................................................................................................... 21
Documentation .......................................................................................................... 21

Changes, Waivers, and/or Conflicts ........................................................................... 21

Single-family Homeowner Assistance Program .......................................................... 22

Survivor Case Management ......................................................................................... 22

Applicant Intake and Counseling ................................................................................. 22

Applicant Eligibility Requirements ............................................................................... 23
General Eligibility ........................................................................................................ 23
Proof of Ownership ..................................................................................................... 24
Principal Residency .................................................................................................... 25
Property Taxes ............................................................................................................. 25
Duplication of Benefits Review .................................................................................. 26
Child Support ............................................................................................................. 26
Damage Assessment ........................................................................................................ 26
Environmental Review .................................................................................................. 27
Flood Insurance Verification/Requirements ..................................................................... 27
Property Eligibility Requirements ..................................................................................... 27
Eligible Improvements ..................................................................................................... 27
Types of Improvements .................................................................................................... 27
Supplemental Improvements ............................................................................................ 28
Inspection Requirements .................................................................................................. 28
Project Closeout/Affordability Requirements ................................................................... 29
Housing Activities and Additional Requirements ............................................................ 29
HAP—Rehabilitation, Reconstruction, and Elevation ......................................................... 29

Table of Tables

Table 1: Applicability ......................................................................................................... 1
Table 2: Hurricane Harvey Community Development Block Grant Disaster Recovery
Housing Program ............................................................................................................... 2
Table 3: Homeowner Assistance Program Funding Targets (%) by Income Category for
HGAC-E / Gulf Coast Region ............................................................................................. 11
Table 4: Homeowner Assistance Program Funding Targets ($) by Income Category for
HGAC-E / Gulf Coast Region ............................................................................................. 11
Table 5: Housing Assistance Caps ...................................................................................... 15
Table 6: Single-Family Housing Inspection Requirements ................................................ 28

Table of Figures

Figure 1: Inspection and Payment Flowchart .................................................................... 33
Introduction

The Texas General Land Office’s Community Development and Revitalization Division (GLO-CDR) oversees administration of Community Development Block Grant Disaster Recovery (CDBG-DR) funds allocated to Texas by the U.S. Department of Housing and Urban Development (HUD) following a disaster. These funds support communities working to build back stronger and more resilient. Under this Program, Houston-Galveston Area Council (HGAC) East/Gulf Coast Region, will be serving the following impacted counties: Brazoria, Chambers, Galveston, Liberty, Montgomery, and Walker counties.

CDBG-DR funds are a special appropriation from Congress associated with a Presidentially declared disaster. These GLO Housing Guidelines address Hurricane Harvey and subsequent flooding declared disaster events associated with the following CDBG-DR funds (Table 1).

<table>
<thead>
<tr>
<th>Federal Register (FR)</th>
<th>Date of Publication</th>
<th>Public Law(s)</th>
<th>Location</th>
</tr>
</thead>
</table>

Recovery projects using CDBG-DR funds must meet one of the following HUD–designated National Objectives to be an eligible housing activity:

- **Benefiting low- to moderate-income persons (LMI)**
  - Low- and moderate-income housing (LMH) provides that any assisted activity that involves acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low to moderate income only to the extent such housing will, upon completion, be occupied by such persons.

- **Meeting an urgent need (UN)** by providing housing assistance to applicants making in excess of 80 percent of the area median income (AMI).

Housing Guidelines provide a blueprint for designing, implementing, and closing a CDBG-DR Housing Program.

The purpose of these Guidelines is to aid in long-term recovery efforts following Hurricane Harvey; specifically, to facilitate replenishment of housing stock lost during the hurricane and subsequent flooding. Questions regarding these Guidelines or requests for more information should be directed to GLO-CDR.
**Table 2: Hurricane Harvey Community Development Block Grant Disaster Recovery Housing Program**

<table>
<thead>
<tr>
<th>Program and Eligible Activities</th>
<th>National Objective</th>
<th>Program Administrator</th>
<th>Tenure*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single Family/Homeowner</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeowner Assistance Program (HAP):</td>
<td>Low- and Moderate-Income and Urgent Need</td>
<td>GLO-CDR (IEM will implement HAP on behalf of the State)</td>
<td>End date: June 30, 2022, or completion of Project, whichever occurs first</td>
</tr>
<tr>
<td>• Rehabilitation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Reconstruction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Replace manufactured housing units with stick-built</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Demolition</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hazard mitigation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Elevation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Temporary relocation and moving expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*“Start date” is date of HUD’s approval of Action Plan*
Program Objectives

Hurricane Harvey made landfall on August 25, 2017, between Port Aransas and Port O'Connor as a Category 4 hurricane with sustained winds of more than 130 miles per hour. After initial impact, Hurricane Harvey’s winds began to decrease, but due to two high-pressure systems to the east and west, the hurricane remained fixed over the Texas coast for the next 4 days. During this period, as much as 60 inches of rain fell over the affected area. The primary focus of the housing recovery program is to provide relief for survivors affected by the event while complying with all CDBG-DR requirements and addressing recognized impediments to fair housing choice as required under the Fair Housing Act. Assistance may be provided to survivors under a variety of housing option activities including rehabilitation, reconstruction, demolition, elevation, hazard mitigation, and storm hardening of homeowner, as allowable by GLO’s approved Action Plan. These Guidelines are specific to the Homeowner Assistance Program (HAP). All housing activities should consider the following objectives:

- Provide high-quality, durable, resilient, mold-resistant, energy-efficient, decent, safe, and sanitary housing that meets Green Building Standards and mitigates impact from future disasters.
  - Resilient measures may include elevating the first floor of habitable area and installing breakaway ground floor walls, reinforced roofs, and storm shutters.
- Prioritize households in which members are under the age of 18, female heads of household, elderly and disabled households, and/or veteran populations while affirmatively furthering fair housing.
- Emphasize housing choices and designs to reduce maintenance and insurance costs and provide options for independent living.

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1 State of Texas Hurricane Harvey Action Plan; approved June 25, 2018
Definitions

Adjusted Gross Income (AGI): AGI is an individual’s total gross income minus specific deductions. The CDR-GLO Adjusted Gross Income Methodology may be found at http://recovery.texas.gov/files/resources/housing/s4-adjustedgrosincomeworksheet.xls.

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

Affordability Period: The period of time during which a property must comply with CDBG-DR program rules and regulations, including primary residence, income, and residency restrictions as applicable.

Applicant/Homeowner/Survivor: (Used interchangeably) Individuals whose homes or housing units were destroyed, made uninhabitable, needed repairs, or who suffered disaster-related displacement from their primary residences and/or loss of property.

Area Median Income (AMI): Calculated annual limits based on HUD-estimated median family income with adjustments based on family size used for demonstrating LMI beneficiaries in the programs. May also be referred to Area Median Family Income (AMFI) in other program documents.

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

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

Builder Assignments: A qualified pool of builders developed by GLO. They must also meet state and federal procurement requirements and possess controls that will ensure quality construction that meets the standards of the CDBG-DR Standards.

Applicant Coordination: The process of working with individual survivors and their families to understand the Program’s housing options, resulting in clear and transparent determination of eligibility. Applicant coordinators must consider all special circumstances of the survivor’s needs to decrease their barriers to participate in the program where possible. Staff should meet at designated locations and supply information in a standard format.

Damage Assessment: An inspection of the housing unit to document damage from the event. The assessment by a certified or licensed inspector (HQS, TREC, or similar license/experience) is required to specifically and clearly document storm-related property damage via photographic evidence and detailed narratives (see GLO’s Damage Assessment Guidelines, found at http://recovery.texas.gov/). Damage assessments must include final cost of repair estimates according to local code, an assessment of the cost-effectiveness of each recommended activity (rehabilitation or reconstruction), mold remediation, and assistance needed to bring the home up to code at completion.

Demolition: The clearance and proper disposal of dilapidated buildings and improvements.

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

**Elevation Standards:** Standards that apply to reconstruction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in the Federal Emergency Management Agency (FEMA) data source identified in 24 CFR 55.2(b)(1).

**Environmental Review:** All qualified projects must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (NEPA) and other applicable state and federal laws.

**Event:** The Presidentially declared disaster event, Hurricane Harvey (and subsequent flooding).

**Family:** The term family means all persons living together in the same housing unit, as further defined under 24 CFR 570.3.

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

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

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

**Flood Hazard Area:** Areas designated by FEMA as having risk of flooding.

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

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

- “100-year floodplain”: the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year.
- “500-year floodplain”: the geographical area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year.
General Land Office (GLO): The Texas General Land Office is the lead state agency for managing the State's Community Development Block Grant - Disaster Recovery grants through the U.S. Department of Housing and Urban Development.

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

Green Building Standards: All rehabilitation (meets the definition of substantial improvement) or reconstruction must meet an industry-recognized standard that has achieved certification under at least one of the following programs: ENERGY STAR® (certified homes), Environmental Protection Agency (EPA) Indoor Air Plus (ENERGY STAR a prerequisite), LEED, or ICC-700 National Green Building Standard.

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

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

Household: A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the LMI National Objective is based on the LMI calculation of the household.

Housing and Community Development Act of 1974, as amended by the Supplemental Appropriations Act of 1984: Established the program of Community Development Block Grants to finance the acquisition and rehabilitation of real property and which defined the recipients and uses of such grants, with the primary goal of benefitting LMI persons.

Housing and Urban Development Act of 1968, Section 3: Requires program administrators ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Recipients of Section 3–covered funding ensures compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32.2

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

Low to Moderate Housing (LMH) National Objective: Any activity that involves the rehabilitation or reconstruction of property to provide housing or improve permanent residential structures will upon completion benefit and must be occupied by low- and moderate-income households (42 U.S.C. 5305(c)(3)). Income eligibility will be determined using Area Median Income (AMI), adjusted for family size and verified in accordance with GLO’s Adjusted Gross Income Methodology. The most current income limits, published

2 https://www.hudexchange.info
annually by HUD, shall be used by the State to verify the income eligibility of each household applying for assistance at the time assistance is provided.

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

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

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

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

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

**Needs Assessment**: A needs assessment is a critical component in the allocation of funding across and within National Objectives for CDBG-DR funds. A given needs assessment will recommend the proportions of funding that should be set aside to benefit each LMI and non-LMI economic group. The needs assessment will determine the activities to be offered, the demographics to receive concentrated attention, the disabled, "special needs," vulnerable populations, and target areas to be served. The needs assessment will also include an assessment of the types of public services activities that may be needed to complement the program. The needs assessment should set goals within the income brackets similar to the housing damage sustained within the impacted areas. Deviations from goals must be approved by GLO before the Program may move forward. GLO will work with Councils of Government (COGs) to develop regional local needs assessments. Each needs assessment will be posted for a 30-day review period and approved by GLO before implementation.

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

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

**Program Design**: The selection and development of programs and activities based on a needs assessment. The Program Design must include the type of housing activities that will be offered; how the program will be marketed to achieve Fair Housing Objectives; and how funding will be prioritized as determined through a needs assessment.
Hurricane Harvey Homeowner Assistance Program: Regional Housing Guidelines
Houston-Galveston Area Council (HGAC) East (HGAC-E / Gulf Coast Region)

Reconstruction: Demolition and rebuilding of a stick-built or modular housing unit on the same lot in substantially the same footprint and manner. This activity also includes replacing an existing substandard manufactured housing unit (MHU) with a new or standard MHU or stick-built/modular housing unit. The number of units on the lot may not increase, and the total square footage of the original, principal residence structure to be reconstructed may not be substantially exceeded; however, the number of rooms in a unit may be increased or decreased based on the applicant’s current household size.

Rehabilitation: Repair or restoration of storm-damaged housing units in the impacted areas to applicable construction codes and standards.

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

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

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

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

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

Unsecured Forgivable Promissory Note: If the applicant qualifies for disaster recovery assistance and has been awarded funding, there are conditions placed on the applicant receiving the assistance. The conditions are outlined in an Unsecured Forgivable Promissory Note (the Note) between the assisted beneficiary and the State that requires applicants to comply with several terms during a set affordability period. Once the homeowner complies with all the terms of the Note and the affordability period ends, the terms are forgiven.

Urgent Need National Objective: An urgent need that exists because conditions pose serious and immediate threat to the health or welfare of the community; the existing conditions are recent or recently became urgent; and the State cannot finance the activities on its own because other funding sources are not available. The State must document how each program and/or activity funded under this category responds to a disaster-related impact. See 24 CFR 570.208(c).

Vendor: Vendors and private grant administrators, procured by the State to provide supplies, equipment, or services necessary to implement the Program and to serve homeowner assistance needs. Upon approval, the vendor may implement the Program or act on behalf of GLO.
To develop the Program Design for all activities offered through this funding, the State used qualified data (HUD/FEMA/Small Business Administration [SBA], insurance data, or other data as approved by GLO) to allocate disaster funding. The Unmet Needs Analysis Section explains an unmet needs assessment and specifies when the needs assessment is complete and available for review. GLO consulted COGs in evaluating data to determine unmet needs for regional housing opportunities.

- Qualified data was used to document the impact of the relevant storm on LMI subcategories, which aided in development of a goal for targeting use of housing funds in the appropriate levels and to the appropriate economic categories.

- The method of data evaluation used by the State (i.e., class distribution categories by income, raw number of homes affected versus aggregated dollar amounts affecting communities) will be made available to the public for 30 days at http://recovery.texas.gov. If any public comment is made, the comment will be addressed in a public response.

Program Design Requirements

National Objectives

All housing activities must meet one of the three National Objectives required under the authorizing statute of the CDBG-DR Program. (For purposes of HAP, only LMI and Urgent Need uses will be acceptable for meeting the National Objectives):

- LMI: Benefitting low- to moderate-income persons:
  - LMH: Benefitting low- and moderate-income housing (LMH) where any assisted activity that involves acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons;

- Urgent Need: Meet a need having a particular urgency.

Unmet Needs Analysis

An Unmet Needs Analysis of HUD/FEMA and other housing demographic disaster victim data were considered when determining the proportions of funding awarded that must be set aside to benefit each LMI and non-LMI economic group. The use of FEMA claims data (when available) and other applicant demographic data allows for goals to be established to fairly allocate funds across jurisdictions and neighborhoods to serve survivors in proportion to need. The Needs Assessment determined the demographics to receive concentrated attention and target areas to serve the disabled, “special needs,” and vulnerable populations, and target areas to be served.

Vendor consulted with COGs on the methodology and data analysis and provided applicable raw data needed to develop and assist in development of the Regional Needs Assessments.

Applicants applying for disaster assistance must meet certain eligibility standards to qualify for assistance. Eligibility standards are further discussed in these Guidelines.
Needs Assessments document goals within income brackets in proportion to damaged units in the impacted area. Deviations from goals must be approved by GLO before vendors can move forward.

Applications will be reviewed and awarded based on the State’s approved program requirements.

**Table 3: Homeowner Assistance Program Funding Targets (%) by Income Category for HGAC-E / Gulf Coast Region**

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Count*</th>
<th>Percentage of Count</th>
<th>Minimum Target</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater of 0%-30% Area Median Income (AMI) or Federal Poverty Level</td>
<td>11,979</td>
<td>33.02%</td>
<td>33.02%</td>
<td></td>
</tr>
<tr>
<td>31%–50% AMI</td>
<td>4,602</td>
<td>12.68%</td>
<td>12.68%</td>
<td></td>
</tr>
<tr>
<td>51%–80% AMI</td>
<td>5,688</td>
<td>15.68%</td>
<td>15.68%</td>
<td></td>
</tr>
<tr>
<td>0%–80% AMI (non-targeted)</td>
<td>14,011</td>
<td>38.62%</td>
<td>8.62%</td>
<td></td>
</tr>
<tr>
<td>Above 80% AMI</td>
<td></td>
<td></td>
<td></td>
<td>30.00%</td>
</tr>
<tr>
<td>Total</td>
<td>36,280</td>
<td>100.00%</td>
<td>70.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total LMI</td>
<td>22,269</td>
<td>61.38%</td>
<td>70.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

*FEMA IA Registrants (owners, primary residence) with FEMA Verified Loss >$0. Data as of June 25, 2018

**Table 4: Homeowner Assistance Program Funding Targets ($) by Income Category for HGAC-E / Gulf Coast Region**

<table>
<thead>
<tr>
<th></th>
<th>Funding Floor</th>
<th>Funding Ceiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$258,049,169.00</td>
<td></td>
</tr>
<tr>
<td>Extremely Low (0%-30% Area Median Income [AMI])</td>
<td>$85,203,169.67</td>
<td></td>
</tr>
<tr>
<td>Very Low (31%–50% AMI)</td>
<td>$32,732,697.79</td>
<td></td>
</tr>
<tr>
<td>Low (51%–80% AMI)</td>
<td>$40,457,102.35</td>
<td></td>
</tr>
<tr>
<td>Above 80% AMI (urgent need)</td>
<td>$0.00</td>
<td>$77,414,750.70</td>
</tr>
<tr>
<td>Total</td>
<td>$180,634,418.30</td>
<td>$77,414,750.70</td>
</tr>
<tr>
<td>Total LMI</td>
<td>$180,634,418.30</td>
<td>$258,049,169.00</td>
</tr>
</tbody>
</table>

HGAC-E / Gulf Coast Region encompasses the counties of Brazoria, Galveston, Chambers, Liberty, Montgomery, and Walker.

**Environmental Review**

All sites must undergo a complete environmental review prior to any commitment of funds. The environmental review shall document compliance with 24 CFR Part 58 and all related laws and authorities. Properties with adverse environmental conditions will not be permitted to proceed under housing activities unless the adverse conditions are corrected. No work can start on a site until the environmental review is complete.
Hurricane Harvey Homeowner Assistance Program: Regional Housing Guidelines
Houston-Galveston Area Council (HGAC) East (HGAC-E / Gulf Coast Region)

Proof of Event Damage

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

- FEMA, SBA, or Insurance Award Letters
  - If the above-referenced documentation is not available, an inspection report/damage assessment (complete with photos of the damage and a written assessment of the damage with each photo taken) conducted by a certified or licensed inspector (HQS, TREC, or similar license and/or experience) must be supplied certifying that the damage occurred as a result of the event (refer to GLO’s Damage Assessment Guidelines found at http://recovery.texas.gov/); or
  - If FEMA, SBA, or Insurance Award Letters are not available and an inspection report is inconclusive as to the cause of the damage, vendors may provide alternative evidence, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations. GLO approval is required for this form of proof.

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

A damage assessment must be performed by a certified or licensed inspector (HQS, TREC or similar license/experience) to specifically and clearly document event-related damage via photographic evidence and detailed narratives if the survivor did not receive FEMA or SBA funds for the repair or replacement of a home. The damage assessment may also include a final cost of repair estimate. Damage to homes will be repaired according to local code and HUD’s housing quality standards.

Size of Unit

HUD guidelines provide minimum size of unit based on anticipated household size and occupancy policies that allow for two persons per bedroom as reasonable. GLO follows the HUD HOME Program in determining household size. Household composition determinations should be made early in the eligibility process as this may affect the applicant’s decision to proceed with recovery assistance.

Exceptions to this standard are based on the following factors:

- No more than two persons are required to occupy a bedroom.
- Persons of different generations (i.e., grandparents, parents, children), persons of the opposite sex (other than spouses/couples), and unrelated adults are not required to share a bedroom. Note: All persons over the age of 18 are considered adults.
- Couples living as spouses (whether legally married) must share the same bedroom for issuance size purposes.
- A live-in aide who is not a member of the family is not required to share a bedroom with another member of the household. Note: The need for a full-time live-in aide must be documented.
- Individual medical problems (e.g., chronic illness) sometimes require separate bedrooms for household members who would otherwise be required to share a bedroom. Documentation supporting the larger-sized unit and related subsidy must be provided and verified as valid.
Hurricane Harvey Homeowner Assistance Program: Regional Housing Guidelines
Houston-Galveston Area Council (HGAC) East (HGAC-E / Gulf Coast Region)

- In most instances, a bedroom is not provided for a family member who will be absent most of the time. If individual circumstances warrant special consideration, a waiver request may be approved.
- To comply with the standard, the State must follow and document the reason for a requested exception as noted in the issuance size exception section below.

When determining family issuance size, include all children expected to reside in the unit in the next year as members of the household. Examples include the following:

- Pregnant women: Children expected to be born to pregnant women are included as members of the household.
- Adoption: Children who are in the process of being adopted are included as members of the household.
- Foster children: Foster children residing in the unit along with families who are certified for foster care and are awaiting placement of children are included as members of the household. If children are anticipated to occupy the unit within a reasonable period of time, they must be considered when determining the issuance size.
- Joint/shared custody arrangements: In most instances, children in joint/shared custody arrangements should occupy the unit at least 50 percent of the time. However, if individual circumstances merit special consideration, a waiver request may be approved as outlined in the section on Issuance Size Exceptions. The custody arrangement may be verified by the divorce decree/legal documents or by self-certification.
- Custody of children in process: Children whose custody is in the process of being obtained by an adult household member may be included as members of the household. Evidence that there is a reasonable likelihood that the child will be awarded to the adult (e.g., within 3 months) must be provided for such child to be included.
- Children temporarily absent from household:
  - Children temporarily absent from the home due to placement in foster care may be included as members of the household. Evidence that there is a reasonable likelihood that the child will return to the household (e.g., within 3 months) must be provided for such child to be included.
  - Children who are away at school but live with the family during school recesses are included as members of the household.
- Chronic illness: An individual with an ongoing health problem who requires at least part-time assistance on a regular basis.
- Pending child custody cases: This includes children in foster care who may be returning home, foster children, and pending adoptions.
- Parental custody situations: Children physically occupy the unit less than 50 percent of the time as documented by a divorce decree and/or self-certification.

The State may grant issuance size exceptions. Waivers for other individual circumstances may be granted with pre-approval by GLO. The family must request a waiver in writing and explain the need and justification.
Timeliness of Application Status

The State and vendors working on its behalf will ensure timely communication of application status to applicants who have applied for disaster recovery assistance. Timeliness means multiple methods of communication such as websites, toll-free numbers, or other means that provide applicants for recovery assistance with timely information to determine the status of their application for recovery assistance at all phases. Methods for communication include GLO’s website (http://recovery.texas.gov/), telephone number 1-844-893-8937, applicant coordinators, email at cdr@glo.texas.gov, and letters.

A standardized GLO Application must be officially submitted to the program via TIGR, in person at a Homeowner Assistance Center (HAC) or at an outreach event. Anyone who makes an inquiry about the program must be provided a GLO application packet to complete. No pre-screening of applicants is allowed without a written application being provided.

All applications received will be date-stamped as received and reviewed for completeness in order received. All non-electronic applications must be entered into TIGR within 3 days of receipt. If the application is missing required documentation, a Case Manager will request necessary documents from the homeowner within 7 days, and the homeowner then has 14 days to respond to the request. Three attempts will be made to contact the homeowner during this 14-day response period, and each attempt will be documented through TIGR. Applicants will be able to view their application status by logging into TIGR or calling the GLO at 1-844-893-8937.

Applicant coordinators and other project personnel are critical to the progression of the applicant file. Applicant coordinators will potentially be the single point of contact for each applicant because there are roles for the applicant coordinators to play at every phase of the applicant file.

In most cases, applicant coordinators interact with applicants by phone or email. Interactions that applicant coordinators have with applicants are more than just casual conversations. The applicant coordinator must use these conversations to help the applicant navigate the system to achieve program objectives, i.e., delivery of housing assistance to eligible applicants.

The program protocol for returning phone calls is a 24-hour turnaround for responding to applicant and application respondent-received communications. Not all issues will be resolved within that day; however, a return call advising the call was received along with a status update with the information currently available regarding the issue(s) noted should be provided in the initial return call.

The State and its vendors must ensure accessibility and privacy of individualized information for all applicants, frequency of applicant status updates, and personnel or unit responsible for applicant’s information on the status of recovery applications.

Affirmatively Furthering Fair Housing

Marketing and outreach strategies for HAP will be designed to communicate simple, consistent, and action-oriented messages to persuade targeted audiences to apply for HAP. As we direct outreach, special emphasis will be placed on the most vulnerable and hard-to-reach communities, including persons with disabilities, the elderly, racial and ethnic minorities, and those who are socio-economic disadvantaged (i.e., LMI populations and communities).
These strategies will vary from community to community but generally include an array of integrated communication strategies that include earned media outreach in local and ethnic media, targeted online marketing, direct mail, in-home application support, paid advertising, door-to-door canvassing, and face-to-face engagement at community events. Outreach products will also vary in language, font size, and format depending on the target audience. They also may be adjusted to address any shortfalls in application shortages over time pending the State’s approval. Affirmatively Furthering Fair Housing will be detailed in the Outreach Plan.

**Cost-Effectiveness Verification**

Rehabilitation will be provided to homes that have up to $65,000 in estimated damage from the event. All other homes will be reconstructed.

**Housing Assistance Caps**

Unit costs must be necessary, reasonable, allowable, and allocable. Refer to 2 CFR Part 200 Subpart E. Table 5 charts monetary caps for assistance apply to applicants based on project type.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Reconstruction</th>
<th>Rehabilitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Unit</td>
<td>*Composite bid</td>
<td>*Composite bid (maximum $65,000)</td>
</tr>
<tr>
<td>Replace Manufactured Housing Unit (MHU) with stick-built house</td>
<td>Composite bid</td>
<td>____</td>
</tr>
<tr>
<td>Non-Coastal Elevation</td>
<td>$35,000</td>
<td>$35,000</td>
</tr>
<tr>
<td>Coastal Elevation</td>
<td>$60,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>Water Well</td>
<td>$30,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>Septic System</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Accessibility</td>
<td>$20,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Abatement</td>
<td>$20,000</td>
<td>$20,000</td>
</tr>
<tr>
<td><strong>Project Soft Costs (defined below)</strong></td>
<td><strong>Actual and maximum $10,000</strong></td>
<td><strong>Actual and maximum $7,000</strong></td>
</tr>
<tr>
<td>Relocation Assistance</td>
<td>Up to $5,000 for temporary moving and relocation costs</td>
<td>Up to $5,000 for temporary moving and relocation costs</td>
</tr>
</tbody>
</table>

* Composite Bid: Rehabilitation calculations are determined by filling out the 11.17 Work Write-Up/Cost Estimate. Reconstruction is determined by calculating total square footage by multiplied price per square footage that is determined in each Builder’s Region.

**Project Soft Costs: Project soft costs are direct costs specifically related to the replacing MHU with stick-built, rehabilitation, or reconstruction. These costs include site-specific utility disconnect or reconnect fees, permits, elevation certificate work, topographic survey costs, damage assessments/inspections, and code inspections.*
GLO may grant an exception to increase the unit soft cost for unexpected or unforeseen costs during construction. Form 11.17, Work Write-Up/Cost Estimate Form should be used. Additionally, a change-order request must be submitted with the necessary support documentation to warrant an exception. All change-order requests must follow federal and state procurement requirements to obtain reasonable costs.

**Affirmative Marketing Outreach Plan**

The Vendor is committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts for the disaster funding will include the following:

- Emphasis should be focused on successful outreach to LMI areas and those communities with minority concentrations that were affected by the disaster. Outreach efforts may include door-to-door canvassing and special outreach efforts to hard-to-reach populations (e.g., seniors, and persons with severe disabilities who either do not have information about the resources available or are unable to apply for resources).

- In addition to marketing through widely available media outlets, efforts may be taken to affirmatively market the CDBG-DR Program as follows:
  - Advertise with local media outlets, including newspapers and broadcast media, that provide unique access for persons who are considered members of a protected class under the Fair Housing Act;
  - Include flyers in utility and tax bills advertising the Program;
  - Reach out to public or nonprofit organizations and hold and/or attend community meetings; and
  - Other forms of outreach tailored to reaching the eligible population, including door-to-door outreach, and on the weekends, if necessary.

- Measures will be taken to make the Program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), providing sign language assistance when requested, and providing special assistance for those who are visually impaired when requested.

- Applications and forms will be offered in English and other languages prevailing in the region in accordance with Title VI of the Civil Rights Act of 1964, including to persons with disabilities (24 CFR 8.6) and persons with limited English proficiency (LEP), and meet other fair housing and civil rights requirements such as effective communication requirements under ADA. Every effort will be made to assist such applicants in the application process.

- Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.

- The Vendor will be required to use the Fair Housing logo in Program advertising, post Fair Housing posters and related information and, in general, inform the public of its rights under Fair Housing Act and regulations.

- Evaluation of outreach activities and applications received will be necessary to determine if outreach is successful and applications that are being received accurately reflect the socioeconomic and other forms of demographic diversity. Evaluation should be an ongoing process.
Hurricane Harvey Homeowner Assistance Program: Regional Housing Guidelines
Houston-Galveston Area Council (HGAC) East (HGAC-E / Gulf Coast Region)

- The Vendor is also required to coordinate with HUD–certified housing counseling organizations to ensure that information and services are made available. Additional information for HUD–approved housing counseling agencies is available here: https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=TX.

**Reporting Requirements**

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

**Section 3**

Compliance with Section 3 is required by 24 CFR Part 135 and the executed agreement between vendors and GLO. Vendors should refer to GLO’s Section 3 Policy.

**Applicant Data**

Vendors will enter all applicant data into TIGR and the data will be used to create monthly reports from TIGR. The Vendor and GLO will conduct monthly meetings for applicant status checks, and progress towards closeouts. The program will prioritize applicants with event-damaged homes who reside in the HUD most impacted areas (with 80 percent of funding going to those counties and zip codes) and are LMI households. All applicants under 120 percent of AMI will be eligible to apply for this program.

Vendor will prioritize application reviews to serve the most impacted counties and zip codes (as eligible in the Needs Assessment) with 80 percent of the funds. Once this threshold is met, the application review process will assess those applicants outside of the HUD-identified most impacted counties and zip codes.

Additionally, the Vendor will prioritize the LMI applicants. Within each category, any application received within the first 30 days that meets the LMI criteria will be considered before any non-LMI applications. If the program is not oversubscribed at that time, the Vendor may begin processing non-LMI applications. Vendor will address applicant shortages by income categories and will accomplish targeting goals established in the Regional Needs Assessment through our marketing, outreach, and mobile application intake efforts.

Reporting requirements will include the following for each program activity requiring a direct application by an individual or non-institutional entity:

- Applicant’s household income at the time of assistance;
- Household income as a percentage of AMI at the time of assistance, as defined by HUD;
- The race, ethnicity, and gender of the head of household;
- The household’s familial status;
- The presence or non-presence of a household member with a disability; and
- The presence or non-presence of a household member who is a veteran.
Records Retention

All official records on programs and individual activities shall be maintained for a 3-year period beyond the closing of a grant between GLO and HUD. Applicant records must be maintained electronically. All projects, program activity files, and applicant information received must be maintained within GLO’s system of record (TIGR).

Site and Development Restrictions

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

General Standards

All housing units participating in the Program will be required to meet Housing Quality Standards detailed under 24 CFR 982.401, Fair Housing Accessibility Standards, and Section 504 of the Rehabilitation Act of 1973. Housing activities must also meet all local building codes or standards that may apply. All single-family homes should also incorporate resiliency solutions, including elevating the first floor of the habitable area, breakaway ground floor walls, reinforced roofs, storm shutters, use of ENERGY STAR appliances and fixtures, and mold- and mildew-resistant products. All housing unit projects must also meet Green Building Standards.

Lead-based Paint

- All projects must comply with lead-based paint requirements of 24 CFR Part 35, Subparts A, B, J, K, and R. See additional information regarding lead-based paint abatement in the Unit characteristics: Only single-family owner-occupied units within the State’s jurisdiction will be eligible for Single-family Homeowner Programs.
- 

Housing Quality Standards (HQS)

All CDBG-DR-assisted rehabilitation projects must meet HQS (24 CFR 982.401) at completion, at a minimum, and all applicable local codes and ordinances.

Standards for Constructed or Substantial Improvements

International Residential Code (IRC) 2012 or higher (with windstorm provisions) and International Building Code (IBC) must be met where they apply. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a CDBG-DR-assisted property, a qualified person must perform an inspection. All rehabilitation and reconstruction should be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters. Whenever feasible, the State should follow best practices, such as professional certifications and standard work specifications provided in the U.S. Department of Energy’s Guidelines for Home Energy Professionals.
Green Building Standards

Reconstruction or substantially rehabilitated housing must comply with one of the following Green Building Standards:

- ENERGY STAR (certified homes or multifamily high-rise);
- EPA Indoor Air Plus (ENERGY STAR a prerequisite);
- LEED; or

The Builders will identify which Green Building Standard will be used for rehabilitation and reconstruction of residential housing.

A certificate of compliance issued as part of the chosen standard’s compliance process will be required to be submitted as proof of compliance. Homes in high-wind and hurricane areas must also be built in compliance with FORTIFIED Home™ standards or any other equivalent comprehensive resilient or disaster-resistant building program. These standards also apply to rehabilitation projects that fall within HUD’s definition of substantial rehabilitation.

Additionally, implementation of Green Building Standards will apply for construction projects completed, underway, or under contract prior to the date that assistance is approved for the project. Green Building Standards will be applied to the extent feasible. For specific required equipment or materials for which an ENERGY STAR–labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)–designated product does not exist, the requirement to use such products does not apply.

Elevation

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

Applicable state, local, and tribal codes and standards for floodplain management that exceed these requirements, including elevation, setbacks, and cumulative substantial damage requirements, will be followed.

GLO has established elevation costs caps at $60,000 for elevation of single-family homes in coastal counties $35,000 for non-coastal counties. GLO may re-evaluate its elevation costs caps during HAP implementation based on average costs associated with elevating single-family homes and on a case-by-case basis as needed.

Standards for Rehabilitation of Non-Substantial Damaged Residential

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

**Resilient Home Construction Standards**

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

As part of a resiliency plan and to mitigate future damage, if a home sustained damage due to flooding from Hurricane Harvey on the initial inspection/damage assessment report, this home may also be considered for elevation (as opposed to only elevating homes located in a floodplain). These additional costs should be taken into account in the Estimated Cost of Repairs/Work Write-up as well.

**Accessibility**

Single-family housing units must meet accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and GLO’s visitability standards.

**Conflict of Interest**

The conflict of interest regulations prohibits local elected officials, contractors, and consultants who exercise functions with respect to CDBG-DR activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

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

GLO can consider granting an exception to the conflict-of-interest provision should it be determined by GLO that the conflict has adequately and publicly addressed all concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and effective and efficient administration of the program.

**Complaint/Appeal Process**

**General Policy**

The State is responsible for responding to complaints and appeals in a timely and professional manner. The State will keep a record of each complaint or appeal that it receives, including all communications and their resolutions. When a complaint or appeal is
Hurricane Harvey Homeowner Assistance Program: Regional Housing Guidelines
Houston-Galveston Area Council (HGAC) East (HGAC-E / Gulf Coast Region)

received, a representative will respond to the complainant or appellant within 3 business
days where practicable. For expediency, the State shall use telephone communication (844)
893-8937) as the primary method of contact; however, email (cdr@recovery.texas.gov) and
postmarked letters will be used as necessary.

Responsibilities

The State shall identify customer service specialists within its program who will be tasked
with handling all homeowner inquiries.

Customer service specialists are responsible for determining if complaints and appeals
relate to the business or authority of the State, ensuring that a response to all complaints
and appeals are made within the appropriate time frame (a final response must be provided
within 15 working days of the receipt of the final complaint need for additional time), and
ushering all complaints and appeals through to a resolution where possible.

Since vendors are often the first line of communication for program beneficiaries, they shall
have an internal procedure for handling incoming complaints, including a complaint-
escalation process, to ensure that complaints are handled at the earliest stage in the
process. The homeowner will be provided a copy of the complaint/appeals process.

Documentation

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

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

Changes, Waivers, and/or Conflicts

GLO has the right to change, modify, waive, or revoke all or any part of these guidelines.
Waivers to the requirements in these Guidelines can only be approved by GLO. Based on
guidance from GLO, the vendor's standard operating procedures will include processes to
implement changes to program design and waivers.

If these Guidelines conflict with local, state, or federal law, the more stringent requirement
will prevail, provided that the requirement does not violate local, state, or federal law.
Single-family Homeowner Assistance Program

Eligible activities under the single-family HAP Program include rehabilitation or reconstruction and elevation if required.

Survivor Applicant Coordinator

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

Vendor’s applicant coordinators will work to assist survivors from inception to close-out of their recovery needs associated with the Program for which they participate. There will be a single point of contact for each survivor to ensure that survivors have immediate contact information and needs to be successful in their long-term recovery efforts. As survivor applications are being accepted and reviewed for determinations of eligibility to participate in the Program, each survivor should be counseled and made aware of his or her application status.

Applicant Intake and Counseling

There will be no pre-screening of applicants without a written application being taken. Anyone who makes an inquiry about the Program will be provided with a GLO application package to complete or be directed to TIGR to complete an online application. Applications will be submitted electronically through the TIGR online system. Vendors will enter into TIGR paper applications within 3 days of receipt.

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

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

Applicant coordinators and/or counselors or interpreters must be able to communicate with applicants in their primary language and should be assigned to the clients as appropriate. Additionally, they must ensure effective communications with persons with disabilities pursuant to 24 CFR 8.6 and other fair housing and civil rights requirements (such as the effective communication requirements under Section 504 and the Americans with Disabilities Act). Counselors will be trained to be well-versed in all housing recovery activity requirements.

In addition to applicants submitting their application directly into TIGR, application intakes will be held in all affected counties. Applications may also be submitted at one of the local HAP offices located at the following addresses:
Coordination with HUD-Certified Housing Counselors

During the intake process, the Applicant Coordinators will assess if there is a HAP Public Services need. The applicant must disclose all prior services received, if any, and certify that all resources have been exhausted.

If the Applicant Coordinator determines that an applicant is eligible and in need of HAP Public Services funds, the Applicant Coordinator will provide the applicant a list of HUD Approved Housing Counseling Agencies:


If at this time the applicant has not exhausted all local resources, he or she will be directed to utilize local resources prior to using HAP Public Services

Applicant Eligibility Requirements

The following are threshold requirements that must be met for an applicant to be eligible for assistance. Eligibility does not guarantee assistance since a prioritization strategy within LMI economic subgroups has been noted earlier in this document, and it is expected that there will be more eligible applicants than can be served with available funds.

All non-electronic applications must be entered into TIGR within 3 days of receipt. If the application is missing required documentation, applicant coordinator will request necessary documents from the homeowner within 7 days, and the homeowner then has 14 days to respond to the request. Three attempts will be made to contact the homeowner during this 14-day response period, and each attempt will be documented through TIGR. All initial eligibility reviews for complete applications must be completed within 30 days of submission.

General Eligibility

Income Determination

Income limits to be used for the CDBG-DR Single-family Homeowner Program are area-specific (by county) income limits established yearly by HUD for the Section 8 Housing Program. Income eligibility will be determined and verified in accordance with GLO’s Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by the Vendor to verify income eligibility of each household applying for assistance at the time assistance is provided. The Vendor must always use the most recent income limits and will be monitored to ensure compliance with the income guidance as provided throughout these Guidelines.

National Objective

- Beneficiaries of Single-family Programs must meet the LMI National Objective of supporting housing activities for impacted persons of low and moderate income.
- Assistance to non-LMI applicants may be provided under urgent need.
Hurricane Harvey Homeowner Assistance Program: Regional Housing Guidelines
Houston-Galveston Area Council (HGAC) East (HGAC-E / Gulf Coast Region)

Unmet Needs
Only applicants with an unmet need related to the CDBG-DR–funded event will be eligible. Documentation evidencing impact from the event is part of the unmet needs determination. The unmet needs analysis is discussed in the Unmet Needs Analysis Section of these Guidelines and has been submitted to the State.

Not Eligible
CDBG-DR assistance for rehabilitation/reconstruction of a damaged home is prohibited when:

- The combined household income is greater than 120% AMI of national median;
- The property was in a floodplain at the time of the disaster; and
- The property owner did not maintain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.

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

- Provide a copy of a valid deed of trust or warranty deed that is recorded in the county records which cites the applicant’s name.
  - Liens on housing units: The State will coordinate with lienholders to ensure the rehabilitation or reconstruction assessment is approved by the lender.
- For manufactured housing units (MHUs), a Statement of Ownership must be provided.
  - Liens on MHU properties: If an applicant owns a mobile home and there is a lien on the property, the State will work to ensure that the lien is transferred properly (if one is in place with the mortgage company). The MHU needs to be “perfected” and made a real property showing that is fixed to the lot. The wheels and axle need to be removed, and a statement of location needs to be in place from the Texas Department of Housing & Community Affairs, Manufactured Housing Division (TDHCA). Once this is done, the lender can transfer the lien from the mobile home to the new property.

For the purposes of federally funded disaster recovery programs, alternative methods to document ownership may be proven in the following manner:

- Applicants may prove ownership by providing documentation and completing a notarized affidavit that certifies one of the following circumstances applies:
  - No other party has the right to claim ownership;
  - Everyone who has the right to claim ownership has agreed to participate in the Program; or
  - A party who has the right to claim ownership could not be located (after all reasonable attempts have been made).

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3 [https://www.tdhca.state.tx.us/mh](https://www.tdhca.state.tx.us/mh)
Subject to approval by GLO, instead of a copy of the deed, alternative documentation proving ownership may be provided including (in order of preference):

- Tax receipts;
- Home insurance;
- Utility bills; or
- Other documentation deemed to be acceptable by GLO.

The documentation must show that the applicant was the person responsible for paying for these items at the time of the disaster. The required affidavit, form, and instructions may be found on GLO’s website http://recovery.texas.gov/

The above-referenced alternatives are not optional. They may be used to prove ownership for all CDBG-DR Programs in the State of Texas.

**Principal Residency**

The unit to be rehabilitated, reconstructed, or replaced must have been the applicant’s principal residence during the time of the event. Principal residency for applicants can be demonstrated through property tax homestead exemptions. If a homestead exemption was not in place at the time of the disaster, an Affidavit of Principal Residency may be used as an alternative method of verification of principal residency. The affidavit must be supported by documentation such as asset verification (income tax returns, credit check, etc.) or utility bills specific to the property address and name of the applicant, which were active as of the date of the event. Vacation homes and rental properties are not eligible for assistance under the Single-family Homeowner Program. The Affidavit of Principal Residency Form may be found on GLO’s website: http://recovery.texas.gov/files/resources/housing/s4-affidavitforprincipalresidency.docx.

**Property Taxes**

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

- The property owner qualified for and received a tax deferral as allowed under Section 33.06 of the Texas Property Tax Code;
- The property owner qualified for and received a tax exemption pursuant to Section 11.182 of the Texas Property Tax Code; or
- The applicant entered into a payment plan with the applicable taxing authority and is current on payments.

Support documentation verifying the tax deferral or tax exemption must be provided by the applicant. Any applicant that enters into a payment plan must supply a signed copy of the payment plan from the applicable taxing entity along with documentation that they are current on their payment plan.
Duplication of Benefits Review

Each application will be reviewed to determine if previous funding awarded to the applicant was appropriately used on the home and if any funds were received for the same purpose. The applicant must have an unmet need to move forward in the program. The Vendor must determine the applicant's unmet needs first and then calculate the applicant's duplication of benefits (DOB). Applicants must provide insurance and FEMA, SBA, and any other type of funding documentation for funds that were received. Additionally, the Vendor must verify that the submitted data is accurate and current at the time of the award to the best of its abilities (e.g., validate against FEMA data). The Vendor will also determine if insurance was required under the terms of the applicant's mortgage as part of the application review. Regardless of unmet needs and prior funds received, applicant awards cannot exceed program limits.

The total DOB (difference between assistance already received minus expenditures) will equal the remaining gap. GLO's DOB Calculation Form will be used to determine the total DOB amount. If the total previously awarded assistance is greater than or equal to the total expenditures, then a positive dollar amount will indicate a DOB. To reconcile the DOB amount owed, the applicant can pay the DOB amount to GLO, or the applicant may be offered a reduction in the scope on the repair or replacement of their home's nonessential components (e.g., laminate for tile floors, etc.) to comply with the Subrogation Agreement. The DOB Calculation Form may be found on GLO's website: http://recovery.texas.gov/files/resources/housing/s4-duplicationofbenefitscalculationform.xlsm.

Child Support

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

Damage Assessment

Each applicant's home must be assessed to verify that it was damaged from the event. The following is a high-level overview of the damage assessment process for each home:

1. Damage assessment firm receives assignment from TIGR.
2. Damage assessment firm imports applicant data in Xactimate.
3. Damage assessment firm assigns inspector to applicant.
4. Inspector site visit scheduled with applicant.
5. Inspector conducts damage assessment site visit.
6. Inspector enters information into Xactimate to create ECR and REIMB reports.
7. Damage assessment firm performs quality control damage assessment.
8. Final Xactimate file, ECR file, REIMB file, and tabular data uploaded to TIGR.
9. Third-party quality control performed.

Please refer to GLO’s Damage Assessment Guidelines located at http://recovery.texas.gov/
Environmental Review

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

Flood Insurance Verification/Requirements

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

Property Eligibility Requirements

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

- Unit characteristics: Only single-family owner-occupied units within the State’s jurisdiction will be eligible for Single-family Homeowner Programs.
- Reconstruction of MHUs will consist of replacing the MHU with a stick-built home that will meet the current needs of the family or individual.

Eligible Improvements

Types of Improvements

- Improvements needed to meet HUD Section 8 existing Housing Quality Standards and Cost-Effective Energy Measures are eligible improvements.
- Improvements must be physically attached to the house and be permanent in nature (e.g., sheds or garages located separately from the house are ineligible). Eligibility of attached structures such as carports or utility rooms is based upon available funds and agreement by GLO in cases where safety or the structural integrity of the house is involved.
- Improvements will include, as necessary, lead-based paint abatement, asbestos abatement, accessibility for families with disabilities or special needs, energy efficiency, or ventilation items such as ceiling fans, window screens, screen doors, and window blinds.
- Ranges, refrigerators, and other necessary appliances are eligible items; however, they will only be considered eligible when they are not present or if the repair would not be cost-effective. They will be approved on a case-by-case basis.
Hurricane Harvey Homeowner Assistance Program: Regional Housing Guidelines
Houston-Galveston Area Council (HGAC) East (HGAC-E / Gulf Coast Region)

- Documentation to support nontraditional housing costs that are required by local codes or homeowner associations (e.g., garages, fencing, masonry, etc.) must be submitted to GLO for approval.
- Required permits, surveys, and elevation certificates, if any, will be obtained by the contractor or builder at his or her expense and will be included as part of bid costs.
- Assistance will not be used for luxury items such as garage-door openers, security systems, swimming pools, fences, and television-satellite dishes.
- Garages, fences, and brick or masonry are not generally eligible unless required by jurisdictional code set forth by the city, county, and/or a homeowner’s association.

**Supplemental Improvements**

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

**Inspection Requirements**

Each project will require an inspection(s) during the lifecycle of the project. Required inspections are dependent on the activity type (e.g., reconstruction or rehabilitation), which are outlined below. Further details regarding inspections are included under the specific activity types in the Housing Activities and Additional Requirements Section of these Guidelines. The program will only pay for one inspection per activity per phase outlined below. Any additional inspection costs will be the responsibility of the designated contractor rehabbing, reconstructing, constructing, or demolishing the home.

**Table 6: Single-Family Housing Inspection Requirements**

<table>
<thead>
<tr>
<th>Application Type</th>
<th>50% Final Inspections</th>
<th>Demolition Confirmation</th>
<th>TREC Monitoring Inspections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconstruction</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes**</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>Yes</td>
<td>Yes***</td>
<td>Yes**</td>
</tr>
</tbody>
</table>

*Monitoring inspections are performed by GLO or GLO representatives.
**TREC inspections are performed by GLO or GLO representatives.
***For substantial rehabilitation only.
Project Closeout/Affordability Requirements

Approved projects will require Affordability Note monitoring and Land Use Restriction Agreement monitoring. Rehabilitation or reconstruction assisted homeowners are required to maintain ownership of the assisted property for a minimum affordability period of at least 3 years, and will be required to comply with the requirements of the affordability note as follows:

(a) Rehabilitation or reconstruction assisted homeowners are required to maintain ownership of the assisted property for a minimum affordability period of at least 3 years.
(b) Cash out refinancing, home equity loans, or any loans utilizing the assisted residence as collateral are not allowed for the 3-year period. A violation of this policy will activate the repayment terms of the Note.
(c) Assisted homeowners are required to maintain principal residency in the assisted property for the required 3 years. A violation of this policy will activate the repayment terms of the Note.
(d) Taxes are to be paid and in good standing for the properties assisted. Homeowners may be on a payment plan, but it needs to be submitted to the subrecipient.
(e) Insurance must be maintained at the assisted property. Hazard, flood (if applicable), and windstorm (if applicable) will be monitored for the 3-year period.
(f) Transfer notice of requirement to obtain and maintain flood insurance for property. Failure to do so shall deem the homeowner liable to reimburse the state for the relief assistance applied to the property. Evidence of this requirement must be maintained in disclosure documents by the homeowner.

To ensure compliance with requirements of the executed Note with the homeowner, the State will perform at a minimum an annual check to confirm all Note commitments are in place through its term. Insurance notices of default should be documented and evaluated as the State receives them.

Housing Activities and Additional Requirements

**HAP—Rehabilitation, Reconstruction, and Elevation**

Benefit for LMI applicants is the principal National Objective approved for the Single-family Homeowner Program. The use of Urgent Need is eligible and, if requested by the applicant, will be evaluated during application review; however, under the LMI National Objective, only those funds used for households with up to 80 percent of the area median income may qualify as meeting the low- and moderate-income person benefit National Objective. It is important to note that, to carry out this objective, the statute requires that not less than 70 percent of the aggregate of CDBG program funds be used to support activities benefitting low- and moderate-income persons.

The Vendor will prioritize applicants with event-damaged homes who reside in the HUD most impacted areas (counties and zip codes) and will ensure that 80 percent of funding will go to LMI households. The GLO is prohibited from providing assistance to homeowners who reside in a floodplain, earn more than 120 percent AMI, and who did not maintain flood insurance at the time of the event, even if it was not a requirement.

Eligible activities are as follows: rehabilitation, reconstruction, and associated elevation and demolition charges. The primary focus of HAP is to provide relief for those people affected by the disaster, with consideration given to affirmatively further fair housing, as called for within the Fair Housing Act.

The State’s Program Implementation begins with determining the survivor’s unmet needs for rehabilitation or reconstruction of the survivor’s home.
Rehabilitation or reconstruction assistance is available to applicants that meet all criteria for costs not yet incurred, subject to funding availability. Rehabilitation will be provided to homes that have up to $65,000 in estimated damage from the event. All other homes will be reconstructed. Based on the extent of damage, survivors may be eligible for rehabilitation or reconstruction of their homes.

Relocation assistance may be offered at the discretion of the State. The cap will be set at $5,000 for temporary relocation services for up to 3 months.

After the final inspection and Form 11.03, Final Housing Inspection, has been signed by all required parties, the builder will submit Form 11.04, Building Contractor’s Request for Payment, which will also require signatures by the builder, homeowner, TREC inspector, and the program representative. A Certificate of Occupancy (if applicable) must be retained in the file.

**Building Specifications Requirements for Reconstruction**

Reconstructed homes, construction specifications (for 2, 3, and 4-bedroom homes with total square footage ranges) will be obtain house plans from the builders (including elevations) for the state to select unified plans. Each home must be constructed in accordance with local codes and should include resilience and mitigation requirements. GLO will have a composite list of builders and plans for each Region of which the Vendor must provide to the applicant(s) (within ranges - see Size of Units below).

**Visitability Checklist**

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

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

**Size of Units**

Guidance for preferred number of people per bedroom is discussed in the Program Design Section of these Guidelines. GLO-determined total square footage ranges are as follows:

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

**Rehabilitation Caps**

Rehabilitation of existing homes damaged by the event is capped at $65,000. Additional expenses, such as elevation, are allowed as limited by the Housing Assistance Caps as described in Housing Assistance Caps Section of these Guidelines. Estimated rehabilitation costs exceeding this cap will be recommended for reconstruction. An estimated cost of repair (ECR) using RS Means, Xactimate, or similar means will determine if the unit is to be rehabilitated or reconstructed.

The State must identify homes that are subject to historic preservation reviews under Section 106 of the National Historic Preservation Act of 1966 (54 U.S.C. Section 306108). HUD allows allocation of administration funds to retain a qualified historic preservation professional.

**Construction**

- Housing that is constructed or rehabilitated with CDBG-DR funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. All local permitting and city/county inspections must be completed. International Residential Code 2012 or higher (IRC) (with windstorm provisions) and International Building Code (IBC) must also be met where they apply. All rehabilitation projects must comply with Housing Quality Standards (HQS) and all applicable local codes and ordinances. Additional codes and standard requirements are detailed in the Program Design Section of these Guidelines.

- If the unit to be assisted was built prior to 1978 and the type of assistance offered will be rehabilitation, the assisted unit will be tested for the presence of lead-based paint and asbestos-containing materials. If present, the removal and abatement of lead-based paint and asbestos-containing materials will be considered in the costs of rehabilitation under the Abatement Cap as described in the Program Design Section of these Guidelines. Lead-based paint and asbestos-containing material inspections provide two benefits: costs of abatement are considerable and must be factored into cost estimates for rehabilitation, and health risks to residents, particularly children in the case of lead-based paint, may be severe, so any presence of lead-based paint in an assisted unit—even one that is to be reconstructed—must be reported so that the residents may seek appropriate medical attention.

- A pre-construction conference among the assisted homeowner, the contractor, and the State, where applicable, will be conducted to insure all parties (assisted homeowner, contractor, and the State) are in agreement about work to be completed. The pre-construction conference will consist of two parts:
  - Part 1: Basic contract and procedural issues, including begin and end dates of the contract, terms of the contract, payment schedules and procedures, inspection procedures and requirements, responsibilities of the contractor and the assisted homeowner, change-order procedures, payment requests and procedures (escrow account), lead-based paint requirements, the role of the State, complaint- and conflict-resolution procedures, and other programmatic procedures
  - Part 2: A walk-through of the house for rehabilitation assistance
All parties should understand how the work will proceed. Instructions will be given regarding cleanup by the homeowner prior to the work and the contractor after the work.

**Construction Agreement**

The construction agreement for stick-built homes will be an agreement between the rehabilitation/reconstruction contractor and the assisted homeowner.

**Property Inspection and Final Payment**

- For additional information, refer to the Rehabilitated homes inhabited by a person with a disability or elderly persons must be analyzed as to the special physical needs of such persons. Improvements, such as widened doorways, ramps, level entry and doorways, and grab bars in bath areas, must be installed, if appropriate.

  Inspection Requirements Section of these Guidelines and Figure 1 on the next page.
Preliminary Inspections

A preliminary inspection will be conducted by the Vendor’s inspector to determine the condition of the unit for each application and to verify damage by the event if FEMA, SBA, or insurance award letters are not available to demonstrate tieback to the applicable event. The initial inspection will be conducted by the Vendor’s inspector or another qualified inspector, and a list of the deficiencies will be prepared. The inspection will also provide an estimate of repair costs to determine whether rehabilitation or reconstruction will be offered and must be in sufficient detail to be used in the creation of work write-ups and to establish the cost effectiveness of the recommended type of assistance. This process documents unmet needs for the applicant with respect to rehabilitation or reconstruction of the damaged home.
Progress Inspections

Progress inspections (50%) performed by the Vendor serves three primary purposes:

- Evaluate the contractor's progress;
- Confirm that local building codes or standards have been satisfactorily met; and
- Confirm that all requirements of the contract have been met to the satisfaction of all parties.

50% Inspection (reconstruction and rehabilitation):

- The building shall be in a “dried in” state, which means that all windows, doors, roof, and siding shall be in place to prevent rain penetration into the interior of the house.
- Rough-in plumbing shall be complete.
- The electrical rough-in shall be completed, including placement of receptacle boxes and switch boxes and placement of the circuit breaker box.
- The HVAC system mechanical shall be in place, including the units themselves, ductwork, and all drain lines.
- The inspection shall take place prior to insulation being installed.
- The CDR 50% Checklist must be used to complete the inspection.

Inspections to approve progress payments will be made at a time requested by the contractor. These inspections will be made promptly upon request so as not to delay the processing of the contractor's payments. The GLO will retain 10 percent of all payments. If possible, the same person will conduct both progress and final inspections.

Final Inspections

As in all construction projects, a punch list will be developed toward the end of the job. A punch list is a listing of items written as specifications that constitute the work necessary to complete the contract. The contractor and the Vendor's inspector can develop the punch list as a result of the final inspection, or the contractor and the assisted homeowner can create the list prior to the final inspection. The punch list will represent work documented on the work write-up that was not completed. The list will not add work that had not already been identified. Once the punch list has been prepared, no other work items are expected of the contractor. If the punch list contains more than 10 items, the contractor is not ready for a final inspection.

When work is nearing completion, including any punch list items, the contractor will notify GLO of a specific date when the job will be ready for a final inspection. The purpose of the final inspection is to guarantee that all work called for in the contract has been completed according to specification. If the 50-percent inspection was conducted thoroughly, the final inspection should only need to catch those items which have been done since the last inspection. The final inspection will be as thorough and deliberate as the initial inspection. Finished carpentry, painting, backfilling, electrical fixtures, all single-family homeowner activities, and clean-up should be closely checked for completion. The homeowner, contractor, and the TREC Inspector will sign off on the final inspection report.

100% (Final) Inspection:

- All construction shall be complete.
Hurricane Harvey Homeowner Assistance Program: Regional Housing Guidelines
Houston-Galveston Area Council (HGAC) East (HGAC-E / Gulf Coast Region)

- The site shall be free of debris or construction materials.
- The interior shall be cleaned.
- The punch list shall be created, although minor punch list repairs may be outstanding.
- The inspection shall be completed before key hand off to the homeowner.
- The CDR 100% Checklist must be used to complete the inspection.

Every attempt will be made to satisfy the homeowner’s concerns at final inspection. If the homeowner objects and refuses to sign off on the final inspection, GLO or the vendor will move forward with closing and place a note in the file for audit purposes.

The Vendor will make sure that the assisted homeowner has received all warranties and instruction booklets for installed equipment.

After documentation has been submitted to the State evidencing that the home has passed the final inspection, all punch list items have been satisfactorily completed, and all warranties have been issued, the project can be brought to final resolution. For purposes of accountability, HAP administrators must have written documentation that the assisted homeowner have accepted the work (the final inspection requires signatures from the homeowner, contractor, and the TREC Inspector).

Warranties and Retainage

- When the results of the final inspection indicate that the work is completed in accordance with the contract, the contractor's request for payment will be submitted to GLO. Ten percent of the funds will be held for 30 days. During this time, any outstanding punch list items must be corrected, and documentation of the corrections must be submitted to GLO or its representative. Following satisfactory correction of all outstanding items, the retainage will be paid to the contractor upon availability of grant funds following the final 30-day period.

- Should the contractor fail to satisfactorily correct any and all outstanding items, GLO will not disburse the retainage; the assisted homeowner may take any necessary legal recourse, and the contractor may be removed from performing any more rehabilitation/reconstruction work on the home. GLO will have all necessary work completed at its discretion.

- In addition, should the contractor be doing other work under this Single-Family Homeowner Program and fail to correct any warranty problems, no other payments will be made to him or her until such problems are corrected. This will affect a builder’s assignment method and these actions should be recorded.

- All work performed by the contractor will be guaranteed and warrantied by 3rd party for a period of 1 year for workmanship. Such warranty will be stipulated in the construction contract between the contractor and the homeowner. For a period of 1 year, the assisted homeowner may require the contractor to correct defects or problems arising from his/her work under this contract. Should the contractor fail to do so, the assisted homeowner may take any necessary legal recourse as prescribed in the rehabilitation or reconstruction contract. A reasonable amount of time will be given to correct the problem; however, in no case will such time exceed 2 weeks to respond. Warranty notices must be issued in advance of expiration (e.g., 6 months and 1 month prior to expiration date of the warranty.)
In addition to the 1-year warranty referenced above, the contractor shall provide a third-party extended warranty that shall cover, at a minimum, the structural integrity and the foundation for a period of 10 years. The Vendor must inform the applicants at closing what the home warranty terms are and when they expire. HUD recommends that the Vendor include a warranty notice on a periodic basis, e.g., 6 months from expiration.

Additionally, 1 year of homeowner insurance(s) will be purchased by the builder for each unit. If a property was damaged by a flood but was outside of the 100-year floodplain, flood insurance may be purchased to reduce the economic risk from future floods.