



# 2021 Winter Storm Single Family Home Repair Program Guidelines

Version 3.0

Approved: XX/XX/XXXX

## **Language and Disability Accommodations**

Every effort will be made to assist all Applicants. Upon request, Program information, including application and supporting forms, will be available in the top five languages spoken in Houston (Spanish, Vietnamese, Chinese, Arabic, and French) and other native languages. Applications will be offered in a manner consistent with HUD regulations per [24 CFR §5.502](#) and [§8.6](#), such as Title II of the ADA; Section 504 of the Rehabilitation Act; and other related regulations and directives. To ensure effective communication, these regulations also require consideration of special populations, including but not limited to persons with disabilities and persons with limited English proficiency (LEP), as outlined in the latest [City of Houston Administrative Procedure 2-11: Language Access](#) and other related regulations and directives.

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

Examples of potential accommodation may include:

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

Upon receiving an accommodation request, the City may contact the Applicant to obtain additional information to better assess the need. The City will make a good-faith effort to accommodate all reasonable requests that allow the Applicant to effectively participate in the DR21 Home Repair Program (Program).

## **Contact Us**

It is our mission to make participating in the Program as straightforward and expedient as possible while remaining fully compliant with the conditions of this federal award. We welcome feedback from beneficiaries and the public on how we can improve our service to Houstonians. We further encourage interested parties to reach out to their federal elected officials and provide feedback.

We welcome any questions or feedback regarding this document. If you would like to file a complaint or appeal, please refer to section 10 for

instructions. If you would like to report potential fraud, waste, or abuse, please refer to **Fraud, Waste, and Abuse** for instructions.

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

Housing and Community Development Department

2100 Travis St., 9th Floor

Houston, TX 77002

(832) 394-6200

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

## **Disclaimer**

This manual contains a basic overview of the Program requirements, but does not and is not intended to replace any existing guidance produced by HUD or an attorney. The information provided in this manual is not intended and does not constitute legal advice. Readers of this manual should contact their attorney to obtain advice with respect to any particular legal matter or question and compliance with applicable law. Information in this manual may not represent the most up-to-date legal or other information.

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

**Table of Contents**

Disclaimer.....3

Program Summary .....7

Program Eligibility.....8

    1    Eligible Activities .....8

    2    Ineligible Activities .....8

    3    CDBG-DR National Objectives .....9

Program Pathways and Phases .....9

    4    Reimbursement Pathway .....9

    5    Rehabilitation and Reconstruction Pathways .....13

Eligibility.....14

    6    Applicant Eligibility .....15

    7    Property Eligibility.....22

Other Requirements .....23

    8    Participation Requirements .....23

    9    Insurance Requirements.....24

    10   Other Requirements .....25

Program Process.....29

    11   Application.....29

Pre-Construction and Reimbursement .....31

    1    Initial Inspection .....31

    2    Reimbursement.....31

    3    Environmental Review .....32

    4    Pre-Construction Conference.....33

    5    Temporary Relocation Assistance Participation Terms .....33

Construction .....34

    1    Progress Inspections.....34

    2    Change Orders .....34

    3    Final Inspection .....34

    4    Certificate of Compliance and Owner Acceptance .....34

Program Withdrawals .....35

- 1 Voluntary Withdrawal .....35
- 2 Administrative Withdrawal .....35
- Compliance and Monitoring.....36
  - 1 Recapture Policy.....36
  - 2 Compliance Period .....36
  - 3 Monitoring .....37
  - 4 Insurance Verification .....37
  - 5 Payoff Statements .....37
  - 6 Release of Liens.....37
  - 7 Project Closeout .....37
- Contractor Requirements.....37
- Statutory and Regulatory Requirements.....40
  - 1 The Federal Privacy Act of 1974, as Amended .....40
  - 2 ADA and Section 504 of the Rehabilitation Act .....41
  - 3 Audit Requirements.....41
  - 4 Affirmative Marketing and Outreach .....42
  - 5 Limited English Proficiency and Title VI of the Civil Rights Act of 1964.....42
  - 6 Suspension and Debarment .....43
  - 7 Renovation, Repair, and Painting Rule .....43
  - 8 Asbestos .....44
  - 9 Complaints .....44
  - 10 Appeals.....44
  - 11 Conflicts of Interest .....45
  - 12 Davis-Bacon Labor Standards .....47
  - 13 Equal Employment Opportunity .....47
  - 14 Housing Discrimination.....48
  - 15 Fair Labor Standards Act .....49
  - 16 Financial Management .....49
  - 17 Minority- and/or Woman-Owned Business Enterprises .....52
  - 18 Section 3.....52

19 Pay or Play ..... 52

20 Residential Anti-Displacement ..... 53

21 Insurance and Property Management ..... 54

22 Record Keeping and Retention Requirements ..... 54

23 Access to Records ..... 55

24 Reporting ..... 55

File Management ..... 56

Document Control ..... 57

Amendments ..... 57

Change Log ..... 58

## Program Summary

In February 2021, Houstonians were impacted by a severe winter storm that disrupted their power and water source. The U.S. Department of Housing and Urban Development (HUD) announced that the City of Houston will receive \$50,095,000 in Community Development Block Grant Disaster Recovery 2021 (CDBG-DR) funding to support long-term recovery efforts following the 2021 Winter Storm through the Office of the Assistant Secretary for Community Planning and Development.

Community Development Block Grant-Disaster Recovery (CDBG-DR) funding is designed to address needs that remain after all other assistance has been exhausted. These guidelines will detail how CDBG-DR funds will be utilized to address the remaining unmet needs within the City of Houston. The 2021 Winter Storm (“Winter Storm Uri”) was a severe weather event in which a record amount of snow and ice impacted the entire State of Texas, including the City of Houston. The 2021 Winter Storm lasted 5 days, February 13 -17, 2021. On February 20, 2021, the President of the United States approved a Texas Disaster Declaration.

The 2021 Winter Storm Single Family Home Repair Program Guidelines (the Program) is designed to provide disaster relief, long-term recovery, restoration of homes, and mitigation within the City of Houston’s (the City’s) stock of single-family homes. The Program will accomplish this by providing reimbursement or Reconstruction/Rehabilitation services to Low- and Moderate-Income (at or below 80% of Area Median Income for the Houston Metropolitan Area<sup>1</sup>) Houstonians with unmet needs resulting from the 2021 Winter Storm ([FEMA Disaster No. 4586](#)). The Program is funded by HUD’s allocation announced in the relevant Federal Register Notice.

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<sup>1</sup> The Area Median Income (AMI) is generated annually by the U.S. Department of Housing and Urban Development (HUD)

## **Program Eligibility**

### **1 Eligible Activities**

General housing activities allowed under applicable CDBG-DR regulations; Housing and Community Development Act (HCDA) Section [105\(a\)\(1\)](#), [105\(a\)\(4\)](#), [105\(a\)\(11\)](#), and [24 CFR §570.202](#) to be performed by this Program include, but may not be limited to:

- A. Reimbursement, Rehabilitation, and Reconstruction of owner-occupied single-family detached unit;
- B. Hazard mitigation;
- C. Accessibility measures;
- D. Temporary relocation assistance, and
- E. Other disaster-related activities that restore and/or improve the City of Houston housing stock, such as Rehabilitation and Reconstruction for the recovery of impacted single-family housing.

### **2 Ineligible Activities**

Ineligible activities include, but are not limited to:

- A. Forced mortgage payoff;
- B. Incentive payments to Households that move to disaster-impacted Floodplains;
- C. Properties that served as secondary housing during or following the disaster;
- D. Properties located in a regulatory floodway;
- E. Properties where the following criteria are met:
  - 1. If the combined Household Income is greater than 80% of AMI for the Rehabilitation and Reconstruction of a house;
  - 2. If the combined Household Income is greater than either 120% of AMI or the national median for reimbursement for repairs caused by the 2021 Winter Storm.

3. The Property was in a 100-year or 500-year Floodplain at the time of the disaster, and the Property owner did not maintain flood insurance on the damaged Property even when the Property owner was required to obtain and maintain such insurance under applicable Federal law on such Property.

### **3 CDBG-DR National Objectives**

This Program is required<sup>2</sup> to address a national objective with all activities funded under this Program. The national objective used will be 24 CFR § 570.208(a), 570.208(c), activities benefiting Low- and Moderate-Income (LMI) persons and urgent need.

## **Program Pathways and Phases**

Participants may only receive assistance under **one Program pathway**:

- A. Reimbursement Pathway; or
- B. Rehabilitation or Reconstruction Pathway.

Participants approved for the Reimbursement Pathway are not eligible to receive assistance under the Rehabilitation or Reconstruction Pathway.

While the Program will make every effort to collaborate with Participants in selecting the ideal pathway for the Participant's needs, the final decision for services lies solely with the Program.

### **4 Reimbursement Pathway**

**Total Budget:** \$1,656,978

**National Objective:** LMI Benefit, Urgent Need

**Compliance Period:** None (grant only)

**Max Award:** up to \$10,000 per Household

The reimbursement pathway is designed to assist Participants who have already made repairs to remediate direct and/or indirect damage(s) to their home caused by the storm.

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<sup>2</sup> [88 FR 3198, Sec. II.A. - Clarification of Disaster-Related Activities](#)

**Note:** *Indirect damage from the 2021 Winter Storm can be defined as secondary or consequential impacts that arise due to the initial 2021 Winter Storm. This damage is not the direct result of the freezing itself but occurred as a result of the conditions created by the 2021 Winter Storm.*

Participants who have completed partial or full repairs on their homes may be eligible for reimbursement of eligible expenses paid prior to applying to the Program for work performed. Documentation must be available to show proof of the eligible work and the cost associated with up to \$10,000.

Acceptable proof of documentation are:

- A. Receipts;
- B. Invoices;
- C. Insurance claims;
- D. Request for assistance from other source; or
- E. Dated pictures with a self-certifying notarized Affidavit.

If self-certifying without the appropriate documentations listed above, the reimbursement will be determined by the City based on a visual inspection. The level of reimbursement will be based solely on standard repair and material costs.

**(a) Priority Submission**

The application period for the reimbursement pathway will open to all interested parties at the same time. Applicants will be prioritized based on Area Median Income (AMI), age, and whether there is a disabled Household Member.

Complete applications received by the deadline will be served in Round 1 on a first-come, first-served basis according to the assigned phases.

**Note:** *Incomplete applications deemed by the eligibility specialist will be denied.*

Based on the availability of funding, subsequent rounds may be announced. Applications that were deemed incomplete at the time of the Round 1 deadline, but have since been completed, may be served in a subsequent round on a first-come, first-served basis.

**(b) Reimbursement Pathway Phase**

Applicants will be assigned a phase based on their AMI and whether they are Elderly or have a Household Member with a Disability status (as applicable).<sup>3</sup>

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

**Phase 2:** Households at or below 80% AMI; then

**Phase 3:** Households at or below 120% AMI.

**Eligibility Criteria for Reimbursement**

Federal regulations require reimbursement costs for Rehabilitation of a Property to be:

- A. Within the same footprint as the pre-storm condition;
- B. Necessary expenses related to authorized recovery purposes;
- C. Paid within 1-year of the date of the disaster; and
- D. Subject to a DOB analysis.

**(c) Expenses for Reimbursement**

The 2021 Winter Storm Single-Family Home Repair Program Reimbursement Pathway allows reimbursement for eligible 2021 Freeze-related home repair costs that were not paid by another funding source. All costs must be appropriate and typical for standard, modest housing in Houston. All repairs must be completed before the application date.

**Eligible Expenses for Reimbursement**

Repair and other post-storm recovery activities include, but are not limited to:

- A. Construction costs for completed repairs (permanent repairs to eliminate the root cause of the problem)
- B. Rental of generator associated with loss of power from the 2021 Freeze

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<sup>3</sup> As per [24 CFR § 5.151](#)

- C. Mold remediation
- D. Downed or damaged tree removal
- E. Access ramps, wheelchair platform lifts, elevator
- F. Temporary repairs to prevent future loss (examples: repair of roof leaks, entryways, etc.)

**Ineligible Expenses for Reimbursement**

Ineligible repairs include, but are not limited to, the following.

- A. Construction of outbuildings (examples: detached garages, sheds, etc.);
- B. Outdoor sprinkler systems;
- C. Pools and hot tubs (or any other outdoor water feature);
- D. Decking beyond what is required by the City code;
- E. Fence construction;
- F. Post-storm additions (rooms added to the original pre-storm structure);
- G. Outdoor showers;
- H. Outdoor fireplaces;
- I. Indoor fireplaces (unless the ONLY source of heat supply);
- J. Miscellaneous non-structural, cosmetic, or luxury items;
- K. Elevation, any enhancement or luxury-grade materials used on eligible repairs will not be reimbursed; and
- L. Personal property (examples: non-critical appliances, vehicles, furniture, clothing, playground equipment, satellite dishes, AC window units, and security systems).

## 5 Rehabilitation and Reconstruction Pathways

The Rehabilitation and Reconstruction Pathways are designed to assist Participants who have not made repairs to remediate the direct and/or indirect damage to their homes caused by the storm.

**Total Budget:** \$38,449,272

**National Objective:** LMI Benefit

### **Compliance Period:**

The amount of City assistance provided to a Participant for Reconstruction or Rehabilitation shall be in the form of a 0% interest, deferred principal, forgivable loan (the “Forgivable Loan”). The Forgivable Loan shall be secured by a Deed of Trust executed by the Participant, in favor of the City, granting a lien on the Property. The City shall record the Deed of Trust in the Real Property Records. The Participant shall be required to occupy the Property as their Principal Residence for a period of three (3) years (the “Compliance Period”). Forgiveness of the deferred principal shall be prorated annually for each year during the Compliance Period in which the Participant complies with the occupancy requirement. If, at the end of the Compliance Period, no default has occurred and remains uncured, the entire amount of the outstanding deferred principal shall be forgiven and the City shall release its lien against the Property.

**Max Award (Rehabilitation):** Up to \$100,000 per Household

**Max Award (Reconstruction):** Up to \$300,000 per Household

### **(a) Priority Submission**

The application period will open to all interested parties at the same time. Applicants with complete applications received by the deadline will be eligible to be served in Round 1 on a first-come, first-served basis, in accordance with the assigned phases and based on Area Median Income (AMI), age, Disability status, and funding availability.

Based on the availability of funding, subsequent rounds will be announced, and incomplete applications submitted by the deadline will be considered complete if missing information and documentation are submitted within 30 calendar days from the date of the written notice, and may be served in the round for which they apply based on assigned phases on a first-come, first-served basis.

**Note:** *If the Eligibility Specialist deems an application as incomplete, then the application will be denied.*

**(b) Rehabilitation and Reconstruction Pathway Phases**

Applicants who have submitted a complete application by the deadline will be assigned a phase based on their AMI, whether they are Elderly or have a Household Member with a Disability. The phases are:

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

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

**Rehabilitation**

All Program-eligible owner-occupied single-family detached units located within the City of Houston’s jurisdiction will initially be evaluated to receive Rehabilitation.

**Reconstruction**

All Program-eligible owner-occupied single-family detached units located within the City of Houston’s jurisdiction will be eligible for the Reconstruction Pathway if the estimated costs to rehabilitate the Property exceed:

- A. Fifty percent of the pre-storm fair market value; or
- B. The maximum cap for Rehabilitation (over \$100,000)

All Applicants may not qualify for the Reconstruction Pathway. The Program will not reconstruct the home if Rehabilitation is feasible and compliant with Program requirements.

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

**Eligibility**

The Applicant, any Co-Applicant, all adult Household Members, and Property must be deemed eligible per Program guidelines to qualify for assistance. The Applicant and any Co-Applicant must provide complete and accurate information regarding their Property, including proof of ownership, Household composition, total Household Income, and employment status via applicable documents submitted to HCDD. The Program may request

additional documentation from Applicants to support eligibility at any time during the application and award process.

In an effort to reduce Fraud, Waste, and Abuse, the Program staff must follow up on all online or paper submissions of documents with a visual or in-person interview and a review and validation of the documents for authenticity.

Documentation may also be requested during the Compliance Period, if applicable. It is expected that there will be more eligible Applicants than can be served with available CDBG-DR funds. Meeting the eligibility requirements does not guarantee assistance.

**Note:** *Failure to disclose accurate and complete information will affect eligibility.*

## **6 Applicant Eligibility**

Eligibility determination is based on the Program requirements and the information and documentation collected from the Applicant and any Co-Applicant at the time of eligibility analysis.

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

Applicant, any Co-Applicant, including any Household Member 18 years of age or older, must provide an official, government-issued photo identification document that is current (not expired) for verification of the individual's identity. Acceptable forms of identification include:

- A. State-issued driver's license
- B. State-issued ID
- C. Military ID
- D. Other official state or federal photo ID
- E. Offender identification card for an incarcerated or recently released offender

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

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

- A. Applicant and any Co-Applicant must provide valid proof of legal status. Acceptable forms of documentation include:
- B. Birth certificate lawfully issued by a government entity in the U.S.
- C. Valid U.S. Passport Book or U.S. Passport Card
- D. Certificate of Citizenship
- E. Permanent Resident Card

**(c) Legal Guardianship**

Household Members, including Applicant and any Co-Applicant 18 years of age and older, must provide supporting documentation sufficient to establish legal guardianship or parental responsibility for all minor Household Members who will reside at the Property. Acceptable documentation includes:

- A. Birth Certificate listing the Applicant, any Co-Applicant, and/or Household Member as the parent;
- B. Court ordered guardianship documents;
- C. A court-order establishing child support, custody or legal conservatorship;
- D. Adoption or foster care documentation;
- E. Acknowledgement of Paternity form or genetic testing results performed by a laboratory accredited by the American Association of Blood Banks (AABB).

**(d) Income**

This Program may only serve Households with an annual total Household Income at or below 80% AMI, as published by HUD. This Program uses the HUD annually updated Houston- Woodlands- Sugar Land, TX HUD Metro Fair Market Rate (FMR) Area dataset to determine income eligibility.

Program staff will use the “Part 5 Annual Income” definition to calculate and

verify the Applicant's total Household Income for the purpose of determining income eligibility.

Acceptable forms of income documentation include:

- A. 3 most recent paystubs
- B. Latest month's benefit statement
- C. Recent 12 months of child support payments received
- D. Form 1040 for self-employed
- E. Certification of Zero Income with Texas Workforce Commission printout and Social Security card.

**(e) Child Support**

Any Household Member, including Applicant and any Co-Applicant 18 years of age to 62, who is mandated by a court of law to provide child support payments must:

- A. Be current on child support payments; or
- B. Be on a court-approved child support payment plan in good standing.

An Intake/Eligibility Specialist will verify child support payments by requesting a child support affidavit from the Applicant, any Co-Applicant, and Household Member, as applicable. Additionally, the Intake/Eligibility Specialist will verify child support payment status by requesting a financial activity report from the Office of the Attorney General for Household Members up to 62 years of age.

**(f) Debt**

Applicants and any Co-Applicant cannot have active Abstract(s) of Judgment filed against them at the time of award.

**(g) Primary Residence**

The damaged Property must have been the Applicant's and any Co-Applicant's Primary Residence at the time of the 2021 Winter Storm (February 13-17, 2021), and at the time of the Reimbursement award or Rehabilitation or Reconstruction award distribution, unless such damages

resulting from the 2021 Winter Storm rendered the home uninhabitable.

**(h) Proof of Ownership**

Applicant and any Co-Applicant must own and occupy the damaged property to be eligible for assistance and provide documentation evidencing ownership interest in the Property.

Proof of ownership will be verified through acceptable forms of documentation that include, but are not limited to, the following:

- A. A Recorded Deed
- B. Proof of Homestead Exemption
- C. Affidavit of Heirship
- D. Affidavit of Ownership (self-certification)

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

- A. Mortgage documents (mortgage statement and closing disclosure)
- B. Utility statements
- C. Receipts of major repairs completed before the disaster
- D. Court documents
- E. Property Taxes
- F. State driver's license, state-issued identification card, or voter registration card
- G. Private insurance policy showing as Primary Residence
- H. Affidavit of Facts
- I. Other documentation deemed acceptable by HCDD

If the Applicant acquired the Property as a successor in interest to the holder of a recorded title, and not through a Deed, the Applicant must provide an

Affidavit of Heirship and present documentation in accordance with the Texas Government Code § 2306.188, as amended. The Applicant may also provide evidence that the Applicant is listed as the Property owner in the records of the local appraisal district/tax office where the Property is located.

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

**(a) Utilities**

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

**(b) Property Taxes**

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

**(c) Liens**

No Abstracts of Judgement, or liens other than a first-lien mortgage may appear as a lien recorded against the Property at the time the award is distributed.

**(d) Mortgages**

Applicant and any Co-Applicant must be current on mortgage payments or current on an approved mortgage payment plan and have not declared bankruptcy or have a reverse mortgage.

**(e) Prior Claims and Insurance**

Applicant and any Co-Applicant must state if they have previously received federal disaster assistance and were required to maintain flood insurance as a condition. Supporting documentation will be required.

**Note:** *Failure to maintain flood insurance when required to do so as a condition of receiving prior assistance will render the Applicant ineligible to participate in the Program.*

### **Death of Eligible Participant**

If a Rehabilitation or Reconstruction Program Participant dies after the construction has begun or during the Compliance Period, and there is a Co-Applicant, then the Co-Applicant may continue compliance under the original terms of the Project Documents. If there is no Co-Applicant, then the surviving heirs inheriting the Property may opt for one of the following options:

- A. **Loan Payoff:** Heirs may pay off the outstanding deferred principal according to the terms of the Note and secured by the Deed of Trust, at which time a Release of Lien will be recorded in the Real Property Records by the City.
- B. **Loan Modification:** HCDD may allow surviving heirs to assume the Forgivable Loan under the original terms of the Note and the heirs must occupy the Property as their Primary Residence for the remainder of the Compliance Period.
- C. If a Participant dies after their application was approved, but before construction begins (before the Tri-Party Agreement), and there is a Co-Applicant, then the Co-Applicant shall continue in the Program and must comply with the terms of the Project Documents for the duration of the Compliance Period.
- D. If a Participant dies before the Tri-Party Agreement is executed and there is no Co-Applicant, then the surviving heir(s) inheriting the Property may apply to the Program.

#### **(a) Estate Planning**

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

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

**(b) Duplication of Benefits**

Federal law prohibits Duplication of Benefits (DOB) to Participants who may be able to receive (or have received) assistance from another party (e.g., private (homeowner) insurance or another federal or state program) for the same purpose. HCDD will follow all applicable federal, state, and local laws, including HCDD Policy #26-02: DR21 Duplication of Benefits SOP and the DR Single Family Duplication of Benefits SOP when determining any DOB.

- A. Each Participant must attest to any assistance already received towards eligible repairs and reimbursements. The amount of this assistance will be deducted from the total assistance given by HCDD. The remainder (the “unmet need”) is the maximum allowable assistance under federal law.
- B. HCDD will ensure compliance through the collection, analysis, and verification of third-party benefits received by Participants. HCDD may verify Participants’ information against information obtained from private insurance, the Small Business Administration (SBA), the Federal Emergency Management Agency (FEMA), and/or volunteer organizations (including in-kind assistance) used for the same purpose that the HCDD award is intended to assist.
- C. Participants must certify that they understand this requirement as part of the Participant’s contract documents with the City.

If the Participant obtained a subsidized short-term loan to pay for eligible costs before CDBG–DR funds became available (for example, a low-interest loan from a local tax increment financing fund), the reimbursement of the costs paid by the loan does not create a duplication. Additionally, the amount of a subsidized loan that is declined or cancelled is not a DOB. To exclude declined or cancelled loan amounts from the DOB calculation, the Participant must provide documentation to HCDD that all or a portion of the subsidized loan was cancelled or declined.

**(c) SBA Loans**

Subsidized loans that are declined or canceled are not counted as a Duplication of Benefits.<sup>4</sup>

- A. HCDD must notify the SBA that the Participant has agreed not to take any actions to reinstate the cancelled loan or draw

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<sup>4</sup> [FR-6169-N-01](#)

any additional undisbursed loan amounts.

- B. Participants must also notify the SBA and/or relevant financial institutions that they have agreed not to take any actions to reinstate a cancelled loan or draw any additional undisbursed loan amounts. The Program will require documentation as proof.
- C. SBA disaster loans will be counted as a DOB, provided that the assistance was used toward a loss suffered as a result of the 2021 Winter Storm.

All Participants will be required to sign a Subrogation Agreement permitting the City to recover any duplicative assistance that may be issued to the Participant after the time of original award if the payout is in connection with the 2021 Freeze and would have counted as a DOB.

**(d) Unmet Need**

This Program is intended to serve Participants whose Primary Residence was directly and/or indirectly damaged by the 2021 Winter Storm and have property damage that requires reimbursement for completed repairs, Rehabilitation, or Reconstruction. This Program is not intended to serve Participants who currently own other viable housing; however, this does not apply to Participants who are renting an apartment or home due to the uninhabitable condition of their own home.

**7 Property Eligibility**

To be considered eligible for Rehabilitation or Reconstruction, the Property must meet all the following requirements:

- A. Be a traditional detached, stick-built, single-family dwelling.
- B. Located within the incorporated areas of the City of Houston;
- C. Sustained direct and/or indirect damage because of the 2021 Winter Storm; and
- D. Environmental clearance.

**Note:** Please refer to the *Environmental Review portion of the Statutory and Regulations Requirements*

**(a) Ineligible Property**

The Property types listed below are not eligible for assistance under the Rehabilitation or Reconstruction pathways; however, Applicants of these housing types may be eligible to receive reimbursement, provided they meet the reimbursement eligibility criteria. Ineligible properties include, but are not limited to:

- A. Located in a floodway;
- B. Manufactured or mobile homes;
- C. Multifamily units (4-units or more);
- D. Townhomes;
- E. Condominiums;
- F. Rental properties; and
- G. Secondary/vacation homes.

## **Other Requirements**

### **8 Participation Requirements**

- A. Participants must execute Project Documents to receive the Forgivable Loan, which includes the Promissory Note, Deed of Trust, Tri-Party Agreement, Acceptance Homeowner Certification, Subrogation Agreement, and any applicable loan documents.
- B. Participants must agree to a limited subrogation of any future awards related to the 2021 Winter Storm, which helps ensure compliance with DOB requirements.
- C. Rehabilitation and Reconstruction Program Participants must adhere to Occupancy Requirements for the 3-year Compliance Period. Participant must reside in the Property and use it as their Primary Residence for the duration of the Compliance Period.
- D. Participants must continue to make payments on mortgages

and ensure the Participant remains current on their mortgage payments, if any. The City will not pay or compensate for any existing liens or mortgages on property.

- E. Participants must agree to the Forgivable Loan and the Compliance Period (if applicable), and all other requirements related to participating in this Program. Participants must understand that failure to comply with Program requirements may result in repayment or other measures designed to elicit compliance and achieve the CDBG national objectives. Forgiveness of the outstanding deferred principal on the Forgivable Loan shall occur on a prorated basis, with one-third (1/3) of the original principal amount forgiven annually over the course of the three (3)-year Compliance Period. Each annual forgiveness shall occur on the anniversary date of the Participant's execution of the Acceptance Form, provided the Participant remains in compliance with all program requirements, including the occupancy requirement. Upon completion of the Compliance Period, and provided no default has occurred and remains uncured, all remaining outstanding deferred principal shall be deemed forgiven, and the City shall release its lien against the Property.
- F. If Participants allow additional liens to be recorded against the Property, sell or otherwise convey their ownership interest in the Property, or cease to use the Property as their Primary Residence during the Compliance Period (excepting inheritance upon death), Participants will be in Default, and the outstanding balance owed under the note will become immediately due and payable.
- G. Participants who Default on the terms of the City's note will repay either the prorated amount or the full amount of the note. The calculated Default may be reported to credit bureaus and the Texas Office of the Attorney General.

## **9 Insurance Requirements**

- A. Participants whose assisted Property is located in the Houston Special Flood Hazard Area (100- year or 500-year Floodplain) are required to purchase and maintain flood

insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program.

- B. Failure to maintain flood insurance may negatively impact Participants' eligibility to participate in this Program.
- C. Participants who receive assistance under the Rehabilitation and Reconstruction pathway of this Program may be required to purchase flood insurance and are also statutorily required to notify any transferee or recipient of the assisted Property of the requirement to purchase and maintain flood insurance.
  - 1. This notification must be in writing as part of the transfer of documents. It must also notify the new owner of the potential consequences regarding future disaster relief if the new owner fails to maintain flood insurance as required by federal law.
- D. Participants who receive assistance under this Rehabilitation and Reconstruction pathway are required to purchase and maintain homeowner's insurance for the duration of their Compliance Period, if applicable.
  - 1. If the Participant is not subject to a Compliance Period, the Participant is encouraged to purchase and maintain homeowner's insurance, but is not required to do so.
- E. If the Participant(s) receives insurance proceeds for fifty percent or more of the Property value during the Compliance Period, the progress of repairs to the Property may be monitored by the City, and under certain circumstances, the insurance proceeds may be deposited into an escrow account maintained by the City or the senior lender.

## 10 Other Requirements

### (a) Cost Reasonableness

Cost reasonableness for this Program will adhere to [24 CFR § 200.404](#). The costs for reimbursement, Rehabilitation, or Reconstruction must be:

- A. At or below the relevant maximum caps for each Program pathway; and

- B. Reasonable and consistent with market costs at the time and place of construction.

**(b) Disaster Affected**

The damage to be remediated by the Program must have been caused, either directly and/or indirectly, by the 2021 Winter Storm (February 13-17, 2021).

- A. Event Confirmation
  - 1. FEMA registration or inspection reports;
  - 2. Insurance claim documentation; and/or
  - 3. Date-stamped photos.
- B. Causation Analysis
  - 1. Examples of direct tie-back:
    - a) Burst pipes due to freezing temperatures;
    - b) Water damage resulting from burst pipes;
    - c) Roof damage caused by ice accumulation; and/or
    - d) HVAC failure caused by a freeze.
  - 2. Examples of indirect tie-back:
    - a) Mold remediation resulting from storm-related water intrusion; and/or
    - b) Electrical repairs due to water exposure from freeze-related pipe breaks.
- C. Scope Validation
  - 1. Each line item in the approved Scope of Work must:
    - a) Address a verified storm-related damage;
    - b) Be necessary to restore the home to pre-storm condition; and/or

- c) Exclude pre-existing, deferred maintenance, or unrelated upgrades.

**(c) Elevation Requirements**

A. Elevation: The City follows [Chapter 19](#) of the City’s Code of Ordinances elevation requirements for the Houston Special Flood Hazard Areas (HSFHA). Chapter 19 defines the Houston Special Flood Hazard Area (HSFHA) as comprising both the 100-year and 500-year Floodplains that are defined by the federal government.

1. 100-year Floodplain:

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

2. 500-year Floodplain:

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

Single Family Home Repair Minimum Construction Standards stipulate that for all home repair activities, the most restrictive Floodplain mitigation standard will be applied, whether federal (i.e., HUD), state (i.e., General Land Office or TDHCA), or local (i.e., City of Houston Code of Ordinances, Chapter 19). The DR21 Guidelines will be consistent with this policy.

**(d) Green Building Standards**

HCDD follows federally required Green Building Standards when reconstructing or repairing a home under this Program.

A. Rehabilitation or Reconstruction:

1. Residential buildings that are rehabilitated or

reconstructed must meet the Green and Resilient Building Standard<sup>5</sup>, meaning the construction must meet an industry-recognized standard that has achieved certification under one or more of the following:

- a) Enterprise Green Communities;
  - b) LEED (Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development);
  - c) ICC-700 National Green Building Standard Green + Resilience;
  - d) Living Building Challenge; or
  - e) Any other equivalent comprehensive green building program acceptable to HUD.
2. Additionally, all such construction must achieve a minimum energy efficiency standard, such as:
- a) ENERGY STAR (Certified Homes);
  - b) DOE Zero Energy Ready Home;
  - c) EarthCraft House;
  - d) Passive House Institute, Passive Building, or EnerPHit certification from the Passive House Institute US (PHIUS), International Passive House Association;
  - e) Greenpoint Rated Existing Home (Whole House);
  - f) Earth Advantage New Homes; or
  - g) Any other equivalent energy efficiency standard acceptable to HUD.
3. HCDD will identify, in each project file, which of these Green and Resilient Building Standards were applied to rehabilitated or reconstructed homes under this

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<sup>5</sup> 87 FR 3163

Program.

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

B. Non-substantial Rehabilitation:

1. For Rehabilitation other than the Rehabilitation of substantially damaged residential buildings, HCDD will follow the guidelines specified in the [HUD CPD Green Building Retrofit Checklist](#).
2. The HUD CPD Green Building Retrofit Checklist will be applied to the extent applicable for the rehabilitation work undertaken, for example, the use of mold-resistant products when replacing surfaces such as drywall. Products and appliances replaced as part of the rehabilitation work must be ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)-designated products or appliances.

## Program Process

### 11 Application

The application will be available on the City's website, or it can be delivered to potential Applicants by mail or email upon request.

- A. HCDD staff will solicit applications through targeted outreach by including advertisements in monthly water bills and at local Community Centers. The advertising material will provide details about the Program information, including dates, times, and locations for Applicants to obtain applications.

Instructions for completing the application, Program overview, and eligibility criteria will be provided on the website.

- B. Other deadlines and requirements regarding the application process may be found in the standard operating policies and procedures. These documents are available upon request.
- C. Applications and supporting documents may be submitted to the HCDD portal or by submitting the application by mail or email

to the Department. All documents will be maintained digitally, and signatures will be electronic.

**Note:** Program intake/eligibility specialists may be available at the local Community Service Centers and HCDD office to assist potential Applicants with submitting applications via the HCDD portal by the Program staff.

- D. Program intake/eligibility specialists are responsible for receiving applications and supplemental documentation. HCDD will not make an official eligibility determination on an application until all required information is received and reviewed.
- E. Applications are offered and processed in a manner consistent with federal and state fair housing and civil rights laws and requirements.<sup>6</sup>
- F. Applications and related forms are offered in English and other languages<sup>7</sup>, prevailing in the City of Houston, upon request. Language access may include, but is not limited to:
  - 1. Spanish;
  - 2. Chinese;
  - 3. Vietnamese; and
  - 4. Arabic.
- G. Applicants who are non-English speaking, have limited English proficiency, or who have an impairment or Disability may contact Program Staff at (832)394-6200 or at [singlefamilyeligibility@houstontx.gov](mailto:singlefamilyeligibility@houstontx.gov) to request an accommodation (e.g., language access and other accessible formats).
- H. Upon receiving an accommodation request, the City may contact the Applicant to obtain additional information to further assess the need. The City will make a good-faith effort to accommodate all reasonable requests that allow the Applicant to effectively participate in the Program.

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<sup>6</sup> 24 CFR § 8.6, the effective communication requirements

<sup>7</sup> Limited English Proficiency (LEP) requirements under Title VI. Please refer to Limited English Proficiency section.

- I. Applicants are informed, both verbally and in writing, during the application process that CDBG-DR funding, even after eligibility determination, is not guaranteed.
- J. Applicants have the right to designate an individual to serve as their communication designee. The communication designee may assist the Applicant in completing the application and discuss related business on behalf of the Applicant with the City.
  - 1. Communication designee must be at least 18 years of age and mentally competent.
  - 2. Communication designee form must be notarized before a notary public and submitted to HCDD.
  - 3. Communication designee may not sign any documents on behalf of the Applicant or Participant unless the communication designee has a written power of attorney (POA) form filed with the county clerk of which the Property is located.

## **Pre-Construction and Reimbursement**

This section contains information concerning the Program’s operations before a Participant’s home goes into construction. It also includes reimbursement tracking information.

### **1 Initial Inspection**

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

### **2 Reimbursement**

Participants who have completed partial or full repairs on their home may be eligible for reimbursement of eligible expenses paid before applying to the Program and following an assessment to determine the work in place. Xactimate® or a similar industry standard tool will be used to ensure cost reasonableness and to verify work to be validated through an on-site inspection. Concluding the award determination, Single Family will prepare

an Award Letter signed by the Participant to submit to Finance for payment. The check will either be mailed or arranged to be picked up by the Participant.

### **3 Environmental Review**

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

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

Where appropriate, the ERR will be performed under a Broad (Tiered) umbrella Environmental Review, per HUD regulations at [24 CFR § 58.15](#). A tiered approach allows the environmental review and analysis to be streamlined by evaluating the impacts of functionally and geographically aggregated activities and by assessing and ruling out certain environmental factors beforehand at a Broad Programmatic level. Broad Tiered Reviews allow the Program to receive an Authority to Use Grant Funds (AUGF) prior to properties being identified, so that Site Specific ERRs for the identified properties for factors not clearable at a Broad level do not have to be reviewed by HUD individually.

The tiered ERR will consist of a broad review (including a written strategy) and a site-specific checklist for each project location. For an activity determined to be exempt according to [24 CFR § 58.34](#) or Categorically Excluded Activities Not Subject to [24 CFR § 58.35\(b\)](#), the ERR will consist only of documentation of compliance with the Statutes and Regulations listed at [24 CFR § 58.6](#).

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

Part of the Environmental Review process will be to design and modify (as practicable) the preferred alternative to minimize and mitigate potential

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

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

#### **4 Pre-Construction Conference**

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

#### **5 Temporary Relocation Assistance Participation Terms**

Participants receiving reimbursement or housing benefits (temporary housing, rental payments, or other assistance) through FEMA are not eligible to receive TRA.

Temporary relocation assistance (TRA) is based on CDBG-DR funding availability. TRA consists of moving and storage, and temporary rental assistance available to all eligible Participants who voluntarily choose to participate in the 2021 Winter Storm Rehabilitation and Reconstruction pathway. TRA will be carried out in accordance with the [08-12 HRP Optional Relocation Policy](#).

Participants are not required to move permanently but may be required to temporarily move out of their home during construction for no longer than 12 months. Participants who are eligible for the Rehabilitation or Reconstruction pathway may receive TRA before the commencement of construction if their home poses an immediate health and/or safety risk, which will be considered on a case-by-case basis.

TRA is discussed during the intake/eligibility process and at the pre-construction conference.

## **Construction**

HCDD's Minimum Construction Standards for Rehabilitation, Reconstruction, and New Construction for Single-family Residences, as amended, require that construction on an assisted home also address any immediate threat(s) to the life or health of residents in the home. The Program will also bring the building up to the most current building code adopted by the City of Houston, to not exceed the maximum assistance cap(s).

### **1 Progress Inspections**

HCDD inspectors will periodically inspect the progress of ongoing construction on properties assisted by this Program. The purpose of these inspections is to ensure timely and satisfactory completion of orders given to the assigned Contractor(s). Participants will receive timely updates about the inspection progress throughout the process.

### **2 Change Orders**

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

### **3 Final Inspection**

A HCDD inspector will conduct a final inspection before the property is returned to the Participants. Any deficiencies identified during the inspection will be corrected before occupancy.

Construction close-out occurs upon completion of the approved Rehabilitation or Reconstruction Scope of Work, resolution of all punch list items, and a final walk-through inspection, at which time Participants sign and date the final walk-through inspection checklist and Acceptance Form.

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

At the completion of the project, a Certificate of Compliance (COC) is obtained by the Contractor as proof of satisfactory completion of the home. All COC, warranties, and other final documents are provided to the Participants, and a copy is provided to the City upon completion of the work. The warranty begins once the Participants sign the Owner Acceptance Form.

## **Program Withdrawals**

### **1 Voluntary Withdrawal**

Participants can voluntarily withdraw from the Program at any time before the execution of the contract. Participants must provide a written notice via email to [singlefamilyeligibility@houstontx.gov](mailto:singlefamilyeligibility@houstontx.gov) or by mail to the address below:

City of Houston  
Housing and Community Development Department  
2100 Travis St., 9th Floor, Houston, TX 77002  
Attn: Home Repair Program Intake Section

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

### **2 Administrative Withdrawal**

Applicants and approved Participants may be administratively withdrawn by HCDD for the following reasons, including but not limited to:

- A. Incomplete application submitted by the relevant deadline;
- B. Application is a duplicate of another valid application or would otherwise result in a Duplication of Benefits;
- C. Applicant/Participant fails to provide required supporting documentation by the Program's established deadline after receiving a written request;
- D. Applicant/Participant or communication designee is aggressive, disrespectful, and/or abusive to a HCDD employee or any other representative or affiliate of the Program;
- E. Applicant/Participant knowingly provides misleading and/or false information;
- F. Applicant/Participant is unable to provide proof of ownership of the Property;

- G. Applicant/Participant failed to provide the required estate planning documentation;
- H. Applicant/Participant failed to maintain required insurance, if applicable;
- I. Participant fails to sign contract(s) within the specified, written deadline;
- J. Participant refuses to vacate the Property so that construction can begin; and/or
- K. The Property has been deemed ineligible.

## **Compliance and Monitoring**

### **1 Recapture Policy**

A default occurs when Participants violate, fail to pay, or perform in accordance with any term, condition, or covenant contained in the Project Documents, these Guidelines, or any other documents signed by Participants about this Program. The City of Houston reserves the right to recapture to the fullest extent of applicable law.

### **2 Compliance Period**

- A. Participants on the reimbursement pathway will not be subject to a Compliance period.
- B. Participants in the Rehabilitation or Reconstruction pathway will be subject to a 3-year Compliance Period. The amount of assistance is offered in the form of a zero-percent, interest-deferred, forgivable, prorated loan on the Property. During the 3-year Compliance Period, the amount of assistance will be forgiven/reduced on an annual pro-rata basis for each year the Participant continues to occupy the Property as the Primary Residence. The lien on the Property will be removed upon completion with the terms and conditions of all Project Documents and completion of the Compliance Period.

### **3 Monitoring**

HCDD will monitor Participants throughout their Compliance Period as outlined in their agreement. Failure to cooperate with monitoring staff may result in repayment terms being activated or other adverse outcomes.

### **4 Insurance Verification**

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

### **5 Payoff Statements**

A Participant who opts to repay the loan or is required to repay the loan and does so, the HCDD compliance and grant administration single-family loan servicing section will provide written confirmation that the Participant has repaid the loan.

### **6 Release of Liens**

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

### **7 Project Closeout**

Disaster Recovery Project close-out occurs upon verification of all required Project Documents, invoicing, and payments have been uploaded to HCDD's system of record, i.e., OnBase, and the release of the retainage fee.

## **Contractor Requirements**

### **1 Contractor Procurement**

The HRP may use for-profit general contractors and/or non-profit organizations to complete the work. The general contractors and non-profit organizations will be procured through the City's Strategic Procurement Division.

Before procuring the Contractor, the HCDD Staff will estimate the cost of Rehabilitation and Reconstruction to establish the reasonable cost of the

scope of work in compliance with 2 CFR § 200.324. General Contractors and non-profit organizations are evaluated, selected, and assigned work based upon their financial capacity, ability to complete the work within scheduled timeframes, ability to construct with minimal corrections, and the cost reasonableness of their bid.

**(a) Award or Assignment of an Individual Project**

A. Initial Contractor Assignment

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

B. Assignment of Additional Projects

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

**(b) Bid Award Method**

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

**(c) Contractor Assignment Method**

The Contractor Assignment method involves four steps:

1. Damage Assessment: City conducts a Damage Assessment to develop a Scope of Work for the Project.
2. Composite Pricing: City applies the Composite Pricing to the Scope of Work to generate a Project price/contract value.
3. Pre-Construction Conference: City (i.e., the HCDD inspector) and Project-awarded Contractor conduct a Pre-Construction Conference ("walk-through") with the

Participant (and Co-Participant, if applicable) to confirm the Scope of Work. Should this step yield changes to the Scope of Work, the Composite Price List is used to update the Project price/contract value.

4. Performance Evaluation: HCDD will evaluate the Contractors according to the Single-Family Contractor Scorecard for each Project to track, evaluate, and grade the Contractor's actual performance in completing specific measurable activities in a timely and satisfactory manner, including, but not limited to, Schedule Adherence, Scope Management, Communication, Inspections, Punchlist items, Program Standards, and Homeowner Satisfaction. HCDD's evaluation of the Contractor Scorecard results and the Contractor's capacity will determine the extent to which a Contractor will be assigned additional Projects, if any. Tri-Party Agreements will be assigned only to Contractors that demonstrate continued compliance with the City's procurement and contracting standards, which include, but are not limited to, insurance standards, ethical statements, federal requirements, and all other obligations detailed by the Guidelines and the Project Documents.

Under the Contractor assignment methodology, HCDD will use Composite Pricing. Composite Pricing is used to ensure accurate cost estimates and transparent construction pricing. HCDD will prioritize using Xactimate, the preferred estimating software used by insurance adjusters, construction professionals, and disaster recovery programs nationwide, to obtain cost estimates, but if using Xactimate is impracticable, HCDD may use another industry-accepted pricing software. Implementation of a standardized pricing methodology for construction costs and activities will ensure consistency in estimating material, assembly selection, unified costs, and specifications for all projects within the Program.

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

The Director reserves the right to adjust Composite Pricing amounts. Such adjustments may be made based on changes in the market conditions, cost of labor, materials, or other factors that impact the cost of performance. Any adjustment shall be by written notice to the Contractor at least 30 calendar days before the effective date of any change in Composite Pricing amounts.

The notice shall specify the nature of the adjustment, including a detailed explanation of the reasons for the change and the new Composite Pricing amounts. In the event the Contractor disagrees with the adjustment, the Contractor shall follow the dispute resolution process outlined in its Master Contractor Agreement with the City. Upon the expiration of the 30-day notice period, the revised Composite Pricing amounts shall become effective, and the Contractor shall adjust their performance and invoice accordingly. The Director's decision on the adjustment of Composite Pricing amounts shall be final.

## **Statutory and Regulatory Requirements**

### **1 The Federal Privacy Act of 1974, as Amended<sup>8</sup>**

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

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

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<sup>8</sup> The Federal Privacy Act of 1974, as Amended ([5 USC § 552a](#), [2 CFR § 200.303\(e\)](#))

from HUD, FEMA, FBI, GLO, Office of the State and City Comptroller, and the Office of Inspector Generals.

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

## **2 ADA and Section 504 of the Rehabilitation Act**

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

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

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

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

Complainants can also file a complaint with HCDD. Please see **Complaints** for information on how to file a complaint or appeal with HCDD.

## **3 Audit Requirements**

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

In accordance with **Subpart F of 2 CFR § 200**, non-federal entities that expend \$1,000,000 or more during their fiscal year in federal awards must

have a single or program-specific audit conducted for that year. HCDD is responsible for conducting reviews of these single or program-specific audit reports and for coordinating the issuance of management decisions for audit findings relating to HCDD-provided federal CDBG-DR funds.

#### **4 Affirmative Marketing and Outreach**

The City, through HCDD, is committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts will include the development of an Affirmative Marketing & Outreach Plan based on U.S. Department of Housing and Urban Development (HUD) regulations.

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

#### **5 Limited English Proficiency and Title VI of the Civil Rights Act of 1964**

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

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

Federal law prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d—2000d-7), as implemented by the Department of the Treasury Title VI regulations at 31

CFR Part 22 and other pertinent directives, circulars, policies, memoranda, and/or guidance documents. The Supreme Court has held “national origin” to include individuals who, because of national origin, have Limited English Proficiency (LEP) (*Lau v. Nichols*, 414 U.S. 563 (1974)). Denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury’s implementing regulations. Accordingly, the City shall initiate reasonable steps or comply with the Department of the Treasury’s directives to ensure that LEP persons have meaningful access to its programs, services, and activities. Meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the City’s programs, services, and activities.

## **6 Suspension and Debarment**

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

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

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

## 8 Asbestos

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

## 9 Complaints

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

City of Houston Housing and Community Development Department  
ATTN: Complaints and Appeals  
2100 Travis Street, 9<sup>th</sup> Floor  
Houston, TX 77002  
Phone: 832-394-6200 ext. 1  
Email: [hcddcomplaintsappeal@houstontx.gov](mailto:hcddcomplaintsappeal@houstontx.gov)

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

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

## 10 Appeals

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

- Denied services through any of HCDD’s programs
- Program eligibility determination
- Program award calculation
- Procedural error where the application was not processed by Program staff in accordance with the Program Guidelines.
- Affirmatively Furthering Fair Housing

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

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

contain the following information:

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

**(a) Appeal Review**

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

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

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

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

**11 Conflicts of Interest**

Pursuant to 24 CFR 570.611 and 2 CFR 200.318, Participants must complete and sign a Conflict-of-Interest Disclosure before CDBG-DR funds

are expended. This disclosure requires Program Participants to disclose, under penalty of perjury, their immediate family members or business partner(s) currently employed by the City of Houston or who were employed by the City within the past year.

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

The Conflict-of-Interest provisions at 2 CFR 200.112 require HCDD staff to disclose any relationship with an Applicant, vendor, or Contractor. HCDD staff, sub-grantees, program administrators, vendors, and Contractors who disclose such relationships are placed in roles where there is no opportunity for them to display favoritism or collude to financially or otherwise benefit themselves, the Applicant, vendor, or the Contractor.

Additionally, employees and/or family members of an entity performing work on behalf of HCDD or the employees and/or family members of a direct Contractor to an entity performing work on behalf of HCDD are not eligible to receive assistance under the Program. However, these individuals may be able to request a waiver as defined in the Conflicts of Interest Policy.

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

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

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

The Program requires compliance with all applicable conflict of interest provisions, including but not limited to federal, state, and local statutes, laws, regulations, ordinances, and other requirements including but not limited to the Texas Local Government Code Chapters 171, 176 and 553;

Chapter 36, Sections 36.02 and 36.08 and Chapter 39, Section 39.02 of the Penal Code; Article VII, Section 4 of the City Charter; Chapter 14, Article II, Section 14-183, Chapter 15, Article III, Sections 15-1 (as amended by City Ordinance No. 2021-44), 15-55, & 15-56 and Chapter 18, Article I, Section 18-3 of the City's Code of Ordinances, and Executive Order 1-28.

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

The Program is subject to, and will follow, HCDD's Policy# 01-26 ~~21-10~~, Fraud Waste, and Abuse, and #06-08 Single Fraud, Waste, and Abuse Standard Operating Procedures. Anyone with information regarding known or suspected misappropriation of CDBG-DR funds or resources is encouraged to report the information to the City by sending an electronic report via email to the following email address: [housingfraud@houstontx.gov](mailto:housingfraud@houstontx.gov).

***Note:** Title 18, section 1001 of the U.S. Code states Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or if the offense involves international or domestic terrorism (as defined in section 2331), imprisoned not more than 8 years, or both.*

### **12 Davis-Bacon Labor Standards**

Under [Section 110\(a\) of the Housing and Community Development Act of 1974 \(HCDA\)](#), laborers and mechanics employed by Contractors and subcontractors on construction, alteration, or repair (including painting and decorating) funded in whole or in part with CDBG-DR assistance in excess of \$2,000.00 for home repairs must be paid not less than wages determined to be prevailing on similar construction work in the locality by the Secretary of Labor in accordance with the Davis Bacon Act<sup>9</sup>. The federal register notice does not waive DBRA; however, DBRA will not apply to this Program as properties rehabilitated or reconstructed will be on a divided lot with fewer than 8 units, and the reimbursement option is not a covered activity.

### **13 Equal Employment Opportunity**

[Executive Order 11246](#), Title VII of the Civil Rights Act of 1964, the City prohibits the City and private employers with 15 or more employees,

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<sup>9</sup> 40 U.S.C. § 3141 et seq.

including federally assisted construction Contractors and subcontractors, from discriminating in employment decisions based on race, color, religion, sex, sexual orientation, gender identity, or national origin. , and (iii) requires Contractor employers to take proactive steps to ensure that equal opportunity is provided in all aspects of their employment. This statute is adhered to within HCDD programs.

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

**City of Houston Office of Inspector General**

900 Bagby St., 4th Floor

Houston, TX 77002

OIG Hotline: (832) 394-5100

[OIG Complaint Form](#)

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

Mickey Leland Building

1919 Smith St., 6th Floor, Houston, TX 77002

Phone: 1 (800) 669-4000

TTY: 1 (800) 669-6820

ASL Video Phone: (844) 234-5122

[EEOC Public Portal](#)

**14 Housing Discrimination**

In accordance with Title VIII of the Civil Rights Act of 1968 (The Fair Housing Act), 42 USC §§ 3601-19, and Section 109 of the Housing and Community Development Act (HCDA), 42 USC § 5309, no person shall be excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, Disability, or marital status.

The following individuals are not considered to have disabilities:

- Individuals with a temporary disability;
- Individuals with substance use disorder (unless the individual is determined to be disabled independent of the substance use); and
- Individuals who pose a direct threat.

Housing discrimination is prohibited from initial inquiry, through application, residency, to termination, and move-out.

Applicants/Participants who feel they have been discriminated against can contact:

**U.S. Department of Housing & Urban Development**

**Housing**

Discrimination inquiries and/or complaints

800-669-9777 (Voice)

1-800-927-9275 (TTY)

**Texas Workforce Commission**

Civil Rights Division

1-888-452-4778 (Voice)

1-800-735-2989 (TTY)

**15 Fair Labor Standards Act**

The amended Fair Labor Standards Act of 1938 (FLSA) establishes the basic minimum wage and requires the payment of overtime, for certain employees. Overtime payments must be at the rate of at least one and one-half times the basic hourly rate of pay for hours worked in excess of forty per work week. These standards apply to all activities funded by this Program.

**16 Financial Management**

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

- A. Provide adequate, current, and complete disclosure of the financial results (regular financial reporting) of all financially assisted activities, in accordance with the financial reporting requirements of the grant;
- B. Document that CDBG-DR funds have been used only for authorized purposes. For CDBG-DR, this includes not only eligible activities, but also that the funded projects meet a National Objective.
- C. Maintain accounting records that show the sources and uses of CDBG-DR funds, displaying CDBG-DR funds authorized,

- obligated, and unobligated balances, assets, liabilities, outlays or expenditures, and income;
- D. Establish effective internal controls over all cash, real and personal property, and other assets acquired with program CDBG-DR funds;
  - E. Track actual program cost against program budget in a manner that relates to program productivity and accomplishments;
  - F. Use Uniform Administrative Requirements outlined in 2 CFR § 200 principles to determine whether program costs are reasonable, allowable, and can be allocated, either directly or indirectly;
  - G. Maintain source documentation for accounting records;
  - H. Implement procedures for cash management that permit timely disbursement to Applicants and subrecipients and complete and accurate monitoring and reporting; and
  - I. Comply with [2 CFR § 200 subpart F](#).

**(a) Finance Department**

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

**(b) The City Controller**

The Office of the City Controller certifies the availability of CDBG-DR funds before City Council approval of City commitments, processes and monitors disbursements, invests the City’s CDBG-DR funds, conducts internal audits of the City’s departments and federal grant programs, operates and maintains its financial management system, conducts the sale of public improvement and revenue bonds and produces a comprehensive annual report of City finances – Comprehensive Annual Financial Report (CAFR). The Controller will be responsible for providing a variety of approvals for the release of CDBG-DR funds as payment to Contractors and beneficiaries. HCDD is the grant manager for Houston’s Winter Storm CDBG DR-21 allocation and is responsible for administering all programs outlined in the City’s Local Action Plan.

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

The HCDD Single Family Home Repair Division is responsible for designing and implementing the 2021 Winter Storm Single Family Home Repair Program for the City of Houston.

**(d) Single Family Division**

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

**(e) Finance Division**

The HCDD Finance division is responsible for processing CDBG-DR grant funding through the Systems Applications and Products (SAP), performing draws in HUD's Integrated Disbursement Information System (IDIS) and Disaster Recovery Grant Reporting (DRGR) System, and reconciling budgets and expenditures. This division is also responsible for processing payment requests in SAP and federal reimbursement requests to HUD to be realized in the City's budget.

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

The HCDD Planning and Grants Reporting division is responsible for the City's CDBG-DR Local Action Plan, Local Needs Assessment, program applications, other related planning documents, substantial amendments, project/activity budget set-up and completion in IDIS and DRGR, and related reporting to HUD.

**(g) Program Income**

This Program is not designed to generate program income. HCDD does not intend to implement any programs or activities that generate income as described in [87 FR 31636](#). However, if any CDBG-DR activities generate income before or after close-out of the grant, HCDD will retain program income to fund additional CDBG-DR activities or to fund the repair, operation, or maintenance of existing CDBG-DR activities. HCDD will comply with all HUD requirements and the program income waiver and alternative requirement in [87 FR 31636](#) and subsequent notices, including tracking program income in the Disaster Recovery Grants Reporting (DRGR) system and using program income before drawing additional grant CDBG-DR funds. Specifically, the City will adhere to the program income policies and procedures as stated in the City's financial certifications.

### **17 Minority- and/or Woman-Owned Business Enterprises**

Contractors shall comply with the City’s Minority and Women Business Enterprise (“MWBE”) programs as set out in Chapter 15, Article V7 of the City of Houston Code of Ordinances and the applicable Office of Business Opportunity’s (“OBO”) Policies and Procedures.<sup>8</sup> Contractors shall make good faith efforts to award subcontracts or supply agreements in at least 29% (21% MBE, 8% WBE) of the value of this Agreement to MWBEs (“Stated MWBE goal”). Contractors acknowledge that it has reviewed the requirements for good faith efforts on file with OBO and will comply with them. Good Faith Efforts should be documented per the City of Houston, Office of Business Opportunity Good Faith Effort policy. For more information regarding Good Faith Efforts, visit: <http://www.houstontx.gov/obo/docsandforms/goodfaithefforts>

The City operates its own certification program through the [Office of Business Opportunity](#). Interested parties should refer to [HCDD’s Section 3 and MWSBE Compliance Forms Packet](#) for more information.

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

### **18 Section 3**

Home repairs performed under this Program are subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 USC § 1701) (“Section3”). The City complies with Section 3 requirements to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted developments covered by Section 3 shall, to the “greatest extent feasible”, be directed to low- and very low-income persons, including persons who are recipients of HUD assistance for housing, with a preference for both targeted workers living in the service area or neighborhood of the Development and Youth Build Participants, as defined at [24 CFR § 75](#) (“Section 3 Regulations”).

### **19 Pay or Play**

Contractors must comply with the City Contractors’ Pay or Play Program (POP), as set out in [Executive Order No. 1–7](#). The Subrecipients and Contractors must demonstrate that they are willing and able to comply with the Contractor POP, which applies to:

- Contracts for services in which the total expenditure by the City, including contingencies, amendments, supplemental terms, and/or change orders, equals or exceeds \$100,000.

Subcontracts for services in which the total value of the subcontract, including contingencies, amendments, supplemental terms, and/or change orders, equals or exceeds \$200,000. The Contractor is responsible to the City for the compliance of covered employees of covered subcontractors.

## **20 Residential Anti-Displacement**

The City of Houston does not plan to administer activities that will cause a direct or indirect displacement of persons or entities. In accordance with Winter Storm Uri's Federal Register Notice, the City of Houston plans to amend the current Residential Anti-displacement and Relocation Assistance Plan (RARAP) to strengthen efforts to prevent hardship of a displaced person or entity and increase oversight to ensure the requirements of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA), as amended. The amended RARAP will set the minimum standard for, but not limited to, planning efforts, Relocation Plan, relocation schedule, accommodations for displaced persons with disabilities, relocation budget, and project the number of staff needed to carry out URA requirements.

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

The acquisition of real property using federal CDBG-DR funds, as administered by HCDD, is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and/or Section 104(d) of the Housing and Community Development Act of 1974. The applicable federal regulations are located at [49 C.F.R. § 24](#) (URA), [24 C.F.R. § 42](#), [Section 104\(d\)](#) of the Housing and Community Development Act ([42 U.S.C. § 5304\(d\)](#) ("Section 104(d)"), and in the Tenant Assistance, Relocation and Real Property Acquisition Handbook (HUD Handbook 1378). The Federal Register Notice January 18, 2023 ([FR-6368-N-01](#)) waived the one-for-one replacement requirements at [Section 104\(d\)\(2\)\(A\)\(i\)-\(ii\) and \(d\)\(3\)](#) and [24 C.F.R. § 42.375](#). [Section 414 of the Stafford Act](#) and its implementing regulation at [49 CFR § 24.403\(d\)\(1\)](#) waived Occupancy Requirements to the extent that they would apply to real property acquisition, rehabilitation, or demolition of real property for a CDBG-DR funded project commencing more than one year after the date of the latest applicable Presidentially declared disaster.

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

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

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

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

## **21 Insurance and Property Management**

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

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

## **22 Record Keeping and Retention Requirements**

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

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

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

- A. HCDD complies with all requirements concerning records and records management practices under federal and state

regulations;

- B. HCDD has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements, and community expectations; and
- C. These records are managed efficiently and can be easily accessed and used for as long as they are required.

These records are stored as cost-effectively as possible, and when no longer required, they are disposed of in a timely and efficient manner based on HUD Handbook 2225.6, Records Disposition Schedules, and HUD Handbook 2228.2.

Failure to report timely or accurately may result in suspension of disbursements or other remedies under 2 CFR § 200.339.

### **23 Access to Records**

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

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

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

### **24 Reporting**

The Reporting provisions at [2 CFR § 200.329\(b\)](#) require non-federal entities

to relate the Program performance of the federal CDBG-DR funds used in HUD programs. As a recipient of federal CDBG-DR funds, HCDD has established its own reporting requirements per these provisions, as applicable:

- A. At execution of agreements;
- B. Monthly<sup>10</sup>;
- C. Quarterly;
- D. Annually; and
- E. As required.

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

## **File Management**

The HCDD Records Management section assists with ensuring that:

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

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<sup>10</sup> The City has implemented the specific condition under 2 CFR § 200.208(c)(1) (requiring payments as reimbursements rather than as advance payments). Accordingly, pursuant to the exception under 2 CFR § 200.329(b) the City collects performance reports more frequently than quarterly.

## Document Control

While this document is the primary document governing how this Program is administered, these guidelines are controlled by the Grant Agreement, applicable laws, statutes, and requirements at the federal, state, and local levels. Every attempt is made by the HCDD to update this document to reflect changes “upstream.” However, in cases of conflict between this document and a controlling, upstream document, the upstream document controls. Examples of upstream documents include, but are not limited to:

- The Grant Agreement between HUD and the City;
- The Stafford Act and its implementing regulations as interpreted by HUD, FEMA, or other controlling federal agencies, unless a waiver or alternative requirement is issued by the applicable federal agency;
- [87 FR 31636](#), as amended and updated;
- Applicable laws, statutes, and requirements set by the federal government or the State of Texas;
- Relevant notices from the U.S. Department of Housing and Urban Development published in the Federal Register;
- City of Houston Code of Ordinances;
- Mayoral Policies and Procedures, such as: Mayor’s Policies;
- Executive Orders;
- Administrative Policies; and
- City’s CDBG-DR24 Action Plan.

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

## Amendments

As the DR21 HRP Guidelines mature, HCDD may request waivers and alternative requirements to the guidelines. Per Ordinance No. 2005-1395, as amended by Ordinance No. 2018-121, and the latest HCDD #01-01: Governing Documents Policy, the guidelines may be amended administratively or by a vote from the Houston City Council, as applicable.

## Change Log

### 1.0 – Adopted 03/19/2025

- Original Version
- Passed City Council via [Ordinance 2025-199](#) on 03/19/2025

### 2.0 – Adopted 06/25/2025

- Change in Composite pricing under contractor procurement
- Increased reimbursement maximum award from \$6,000 to \$10,000.
- Made the following changes to Reimbursement Pathway Participant Phases
  - Changed participant phase 2 from Households at or below 50% AMI to Households at or below 80% AMI
  - Changed participant phase 3 from Households at or below 80% AMI to Households at or below 120% AMI
  - Removed participant phase 4
- Made the following changes to Rehabilitation and Reconstruction Pathway Participant Phases
  - Changed participant phase 2 from Households at or below 50% AMI to Households at or below 80% AMI
  - Changed participant phase 3 from Households at or below 80% AMI to Households at or below 120% AMI
  - Removed participant phase 4
- Passed City Council via [Ordinance 2025-566](#) on 06/25/2025

### 3.0 – Adopted XX/XX/XXXX

- Outlined acceptable documents for proof of identity, citizenship, legal guardianship, income, home ownership, and utilities.
- Outlined acceptable documents for demonstrating direct or indirect impact from the disaster
- Changed Affordability Period to Period of Affordability
- Evidence of Child Support Payments is required for Household Members, including Applicants and Co-Applicants aged 18 years old up to age 62.
- Referenced Single Family’s Fraud, Waste, and Abuse SOP
- Included romantic partners and anyone residing in the same Household as the covered person, to the conflict of interest’s definition of immediate family member.
- Employees and/or family members of an entity performing work on behalf of HCD or the employees and/or family members of a direct Contractor to an entity performing work on behalf of HCDD are not eligible to receive assistance under the Program.

- Revised Code of Regulations citations for Conflict of Interest Provisions
- Any Applicants and any Co-Applicants, including Contractors committing fraud, waste, and abuse that involves international or domestic terrorism (as defined in section 2331) may be subject to 8 years imprisonment.
- Added the definition for Abstract of Judgement, Household, Household Income, and revised the definition of Co-Applicant.
- Added the following sections to the document: Language and Disability Accommodations, Document Control, Amendments, Contact Us, and Disclaimer.

## Term Definitions

**Abstract of Judgement** – A public record that creates a lien on a debtor’s non-exempt real property. It is a summary of a court judgement that includes the names of the debtors and creditors, the amount owed, and other case details.

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

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

**AMI** – Area Median Income

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

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

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

**Change Order** - A change to the work and/or contract price pertaining to a particular Disaster Recovery Project.

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

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

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

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

**Compliance Period** – Participant must comply with Occupancy Requirements for 3-years in the Rehabilitation and Reconstruction pathway, which begins on the date of when the Participant signs the Acceptance Form.

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

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

**Damage Assessment** – The process of evaluating the physical condition of a property to identify damages sustained as a result of the 2021 Winter Storm.

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

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

**Default** – An occurrence where a Participant fails to meet the requirements outlined in the Program Documents including but not limited to Tri-Party Agreement, Promissory Note, Deed of Trust and any other related Program Documents.

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

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

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

The term “disability” shall be interpreted consistent with the definition under Section 504 of the Rehabilitation Act of 1973, as amended by the Americans with Disabilities Act Amendments Act of 2008. This definition does not change the definition of “disability” or “disabled person” adopted pursuant to a HUD program statute for purposes of determining an individual’s eligibility to participate in a housing program that serves a specified population.<sup>11</sup>

**Note:** *The definition of “disability” shall be construed broadly in favor of expansive coverage, to the maximum extent permitted (This has the*

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<sup>11</sup> Per [24 CFR § 5.151](#)

*effect of prioritizing elderly or disabled Houstonians in need of services under this Program).*

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

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

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

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

- “100-year Floodplain” — the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year. This is also known as a Special Flood Hazard Area (SFHA).
- “500-year Floodplain” — the geographic area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year. The Houston Special Flood Hazard Areas (HSFHA) include both 100- and 500-year Floodplains under the City's Code of Ordinance.

**Forgivable Loan** – A zero interest, deferred payment secured loan that may be forgiven at the end of the Compliance Period if all terms and conditions of the Program have been met and no default occurs that remains uncured. The City will fund the Forgivable Loan with CDBG-DR funds.

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

**HSFHA** – The Houston Special Flood Hazard Area, defined under [Chapter 19](#) of the City’s Code of Ordinances.

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

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

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

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

**Occupancy Requirement** – The requirement that the Participant own and occupy the Property as the Primary Residence for the duration of the Compliance Period.

**Participant** – An Applicant deemed eligible to receive assistance under the Program.

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

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

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

**Program** – The City of Houston’s 2021 Winter Storm Single Family Home Repair Program, unless otherwise specified in the document.

**Project Documents** – A compilation of document that include the Master Contractor Agreement, the Plans and Specifications, the Work Write-Up, Change Orders approved and executed by the Director (if any), the 2021 Winter Storm Guidelines and the procedures adopted pursuant thereto, Baseline Schedule, Notice to Proceed, Certificate of Compliance, Deed of Trust, Promissory Note, Project Initiation Document, Acceptance Form, and all other documents pertaining to, or executed in connection with the Work.

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

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

**Property** – A residential dwelling, including land and building, that qualifies for repairs, Rehabilitation, or Reconstruction under the Program’s guidelines. This includes Properties that have already undergone Rehabilitation and are subject to the reimbursement pathway.

**Reconstruction** – Projects with costs in excess of :

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

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

**Scope of Work** - The estimated amount and nature of the Rehabilitation or Reconstruction work necessary to be provided by a Contractor to repair, rehabilitate, or reconstruct the Property.

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

**Transfer on Death Deed (TODD)** – A legal document, [authorized by Texas Estates Code Chapter 114](#), that allows property owners to designate one or more beneficiaries to inherit real estate upon the owner’s death, without the need for probate.

**Tri-Party Agreement-** The contract between the City, Homeowner(s), and Contractor outlining the terms and conditions of the Forgivable Loan, each party's responsibilities regarding the Rehabilitation or Reconstruction, and the covenants, terms, and conditions of the Program.