



HOUSING GUIDELINES

Community Development and Revitalization

I. Introduction

The General Land Office (GLO) and Long-Term Recovery

The GLO's Community Development and Revitalization (GLO-CDR) division oversees the administration of Community Development Block Grant Disaster Recovery (CDBG-DR) funds provided by the U.S. Department of Housing and Urban Development (HUD) following a disaster. These funds remain the most flexible recovery source available and, can support communities with protection and resiliency.

CDBG-DR funds are a special appropriation from Congress, associated with a Presidentially Declared Disaster.

CDBG-DR funds must meet one of the following HUD designated National Objectives to be eligible for award:

- Benefiting Low- to Moderate-Income Persons
 - Low to Moderate Buyout – Benefiting Low to Moderate Income persons where the award amount is greater than their post-disaster fair market value of the property;
 - Low to Moderate Housing Incentive – Benefiting Low to Moderate Income Persons participating in the voluntary buyout or other voluntary acquisition of housing to move outside of the affected floodplain or to a lower-risk area; or when the housing incentive is for the purpose of providing or improving residential structures that, upon completion, will be occupied by an LMI household.
- Preventing or Eliminating Slum or Blight
- Meeting Urgent Needs

The CDR Housing Guidelines are a guide on how to design, implement, and close a CDBG-DR Housing Recovery Program.

The purpose of these Housing Guidelines is to aid in the long-term recovery efforts for the replenishing of housing stock lost to a presidentially declared disaster event. Questions regarding this Guide or requests for more information should be directed to CDR. Housing Programs may be administered by a Subrecipient, State, or a combination of both.

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1. HOUSING RECOVERY PROGRAM OBJECTIVES

The primary focus of the housing recovery program is to provide relief for survivors affected by an event while complying with all CDBG-DR requirements and addressing recognized impediments to affirmatively furthering fair housing as required under the Fair Housing Act. Assistance may be provided to survivors under a variety of housing options including acquisition, rehabilitation, reconstruction, new construction, demolition, elevation, hazard mitigation, down payment assistance, reimbursement, and storm hardening of homeowner and rental housing units as allowable by an approved Action Plan. All housing activities should consider the following objectives:

- Provide high quality, durable, resilient, mold resistant, meet green standards, and energy efficient, decent, safe, and sanitary housing that also mitigates impacts from future disasters. Resilient measures may include elevating the first floor of habitable area; breakaway ground floor walls; reinforced roofs; storm shutters, etc. Rental units will also follow safe, decent, and sanitary requirements as in the impacted areas identified in the HUD approved action plan.
- The Subrecipient may prioritize applicants such as those whose household's members are under the age of 18, female heads of household, elderly and disabled households, and/or Veteran populations.
- Place an emphasis on housing choices and designs to reduce maintenance and insurance costs, as well as provide the provision of independent living options.

2. DEFINITIONS

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

Affirmatively Furthering Fair Housing Data and Mapping Tool – (AFFH-T) A tool made publicly for use by program participants to access HUD-provided data to conduct the fair housing analysis required as part of the Assessment of Fair Housing.

Affirmative Fair Housing Marketing Plan – A document used to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability¹.

Area Median Family Income (AMFI) – Calculated limits based on HUD-estimated median family income with adjustments based on family size.

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

Buyout – A type of acquisition with the purchase of an eligible property with the intent to reduce risk from future flooding or to reduce risk from the hazard that led to the property's Disaster Risk Reduction Area. The property acquired will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.

Case Management- Working with individual survivors and their families to understand the program's housing options, resulting in clear and transparent determination of eligibility. Case Managers must take into account all special circumstances of the survivor's needs to decrease their barriers to participate in the program where possible. Staff should meet at designated locations and supply information in a standard format.

Damage Assessment- An inspection of the unit to document damage from the event. The assessment by a certified or licensed inspector (MPS, TREC, or similar license) is required to specifically and clearly document storm related property damage via photographic evidence and detailed narratives (see the GLO's Damage Assessment Guidelines). Damage assessments may also include final cost of repair estimates.

Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts – All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. This applies to the rehabilitation of residential property only if such property contains not less than 8 units. ²

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

¹ 24 CFR 200.625

² <https://www.hudexchange.info/resources/documents/Housing-and-Community-Development-Act-1974.pdf>

Duplication of Benefits – The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source.³

Environmental Review- All substantially qualified applicants (e.g. applicants who apply for the repair and replacement of their damaged unit must have received damage from the event, own their home and lived in the home as their primary residence) must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (NEPA) and other applicable state and federal laws.

Elevation Standards- Standards that apply to new construction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1).

Family – A household composed of two or more related persons. The term family also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well-being and the surviving member or members of any family described in this definition who were living in a unit assisted under the Housing Opportunities for Persons With AIDS (HOPWA) program at the time of his or her death.

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

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

Green Building Standards – All rehabilitated (meets the definition of substantial improvement), reconstruction or new construction must meet an industry-recognized standard that has achieved certification under at least one of the following programs: (i) ENERGY STAR (Certified Homes or Multi family High-Rise), (ii) Enterprise Green Communities, (iii) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), (iv) ICC–700 National Green Building Standard,

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

³ Federal Register/Vol. 81, No. 117/Friday, June 17, 2016/Notices (2015 Flood event); Federal Register/Vol. 81, No. 224/Monday, November 21, 2016/Notices (2016 Flood event); Federal Register/Vol. 82, No. 247/Wednesday, December 27, 2017/Notices (Hurricane Harvey)

Homebuyer Assistance Activity – The utilization of CDBG-DR Disaster Recovery funding for up to 100% of the required down payment, reasonable closing costs, principal write-down assistance, subsidization of interest rates, and private mortgage insurance to facilitate the purchase of a new or existing home.

Housing Incentives- Incentive payments are generally offered in addition to other programs or funding (such as insurance), to encourage households to relocate in a suitable housing development or an area promoted by the community’s comprehensive recovery plan. The housing incentive may be offered for the purpose of improving the residential structure that upon completion will be occupied by an Low to moderate income household. An incentive may be offered to a buyout payment for households that volunteer to relocate outside of floodplain or to a lower-risk area. A buyout incentive is not available for properties that served as second homes at the time of the disaster, or following the disaster.

Household – A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two (2) or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the low- to moderate- income (LMI) objective is based on the LMI of households.

Housing and Urban Development Act of 1968, Section 3 – Requires the Subrecipient to ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing Federal, State, and Local laws and regulations, to low and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32. ⁴

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

Low- to Moderate- Income (LMI) National Objective – Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with GLO’s Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by the Subrecipient to verify the income eligibility of each household applying for assistance at the time assistance is provided.

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

LMB National Objectives – Low to Moderate Buyout (LMB) is used for a buyout award to acquire housing owned by a qualifying LMI household, where the award amount (including optional relocation assistance) is greater than the post-disaster fair market value of that property.

⁴ <https://www.hudexchange.info>

LMHI National Objectives - Low Moderate Housing Incentive (LMHI) benefits LMI households that are used for a housing incentive award and tied to a voluntary buyout or other voluntary acquisition of housing owned or occupied by a qualifying LMI household.

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

Minimum Property Standards (MPS) – The Minimum Property Standards (MPS) establish certain minimum standards for buildings constructed under HUD housing programs. This includes new single family homes, multi family housing and health care type facilities as outlined in HUD's 1994 Edition Handbook (4910.1).

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

Multi Family Rental – Eight or more rental units in the property.

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

New Construction – A replacement home that substantially exceeds the original footprint on the existing lot (if permitted) or the construction of a new home in a new location.

Program Design – The selection and development of programs and activities based on a Needs Assessment. The Program Design must include the type of housing activities that will be offered by the Subrecipient, as well as how the Program will be marketed, how Fair Housing Objectives will be achieved, and how funding will be prioritized as determined through a Needs Assessment.

Program Income- Net income derived from the sale of program assets that exceeds \$35,000 in a single fiscal year, received by the Subrecipient and directly generated from the use of housing CDBG-DR funds.

Reconstruction – Demolition and re-building of a stick-built or modular housing unit on the same lot in substantially the same footprint and manner. Activity also includes replacing an existing substandard manufactured housing unit (MHU) with a new or standard MHU or stick-built/modular housing unit. The number of units on the lot may not increase, and the total square footage of the original, principal residence structure to be reconstructed may not be substantially exceeded; however, the number of rooms in a unit may be increased or decreased.

Rehabilitation – Repair or restoration of housing units in the impacted areas to applicable construction codes and standards.

Reimbursement Program – Program designed for eligible applicants who have completed reconstruction, rehabilitation, elevation, and/or mitigation on single family homes prior to the date of application.

Rental Activity – Acquisition, rehabilitation, or construction of affordable rental housing resulting in structures where at least 51% of units are occupied by LMI persons. Income and rent restrictions apply to the rental units to be built or assisted.

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

Single Family Rental – Seven or less rental units under common ownership. Units may be on contiguous or scattered lots. Scattered site rentals (rental properties not on an undivided lot or on contiguous lots or parcels) may exceed seven units without wage requirements.

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

Slum and Blight activities must meet the criteria of one of the three following categories:

- Prevent or eliminate slum and blight on an area basis;
- Prevent or eliminate slum and blight on a spot basis; or
- Be in an urban renewal area.

Subrecipient – Cities, Counties, Indian Tribes, local governmental agencies (including COGs), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of Subrecipient does not include procured contractors providing supplies, equipment, construction, or services and may be further restricted by Program Rules or other guidance including applications.

Subrogation Agreement– Means an agreement executed by the beneficiary agreeing to repay any duplicative assistance if they later receive other disaster assistance for the same purpose.

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

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

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (Uniform Act referred to URA)– Applies to all acquisitions of real property or displacements of persons resulting from Federal or federally-assisted program or projects. URA’s objective is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to residential displacements in involuntary (49 CFR Subpart B) acquisition or multi family damaged/occupied activities that require the

relocation of the tenants. A displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months.

Unsecured Forgivable Promissory Note – Is an agreement between the assisted beneficiary and Subrecipient/GLO that requires applicants to comply for several terms during a set affordability period. At the end of the affordability period the terms are forgiven after they are met by the homeowner.

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

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3. PROGRAM DESIGN

Evaluation of Survivor Data to Determine Unmet Housing Needs

In order to develop the Program Design for all activities offered through this funding, each Subrecipient must use qualified data (HUD/FEMA/SBA or insurance data used to allocate the disaster funding or other data as approved by the GLO in advance). Section 3.2 explains an unmet needs assessment, which will be required by all participating Subrecipients with help in the development/approval by the GLO. The GLO will assist the Subrecipient's in evaluating its data to determine unmet need housing opportunities.

- Qualified data will be used to document the impact of the relevant storm on the LMI subcategories which will aid in the development of a goal for targeting the use of housing funds in the appropriate levels and to the appropriate economic categories.
- The method of data evaluation utilized by the Subrecipient (i.e., class distribution categories by income, raw number of homes impacted versus the aggregated dollar amounts impacting communities, etc.) must be made available to the public for fourteen days on a publicly accessible website. Notice of the posting of the method of review must be provided to the GLO not later than the day the method is posted on a website. If any public comment is made, the Subrecipient must address the comment in a public response.

A. Program Design Requirements

1. National Objective

All housing activities must meet one of the three National Objectives required under the authorizing statute of the CDBG-DR program:

- **LMI** - Benefit Low- to Moderate- Income persons;
 - **LMB** – Benefiting Low to Moderate Income persons where the award amount is greater than their post-disaster fair market value;
 - **LMHI** –Low to Moderate Housing Incentive assisted with a housing incentive tied to the voluntary buyout or other voluntary acquisition of housing owned by the qualifying LMI household for the purpose of moving outside of the affected floodplain or to a lower-risk area; or when the housing incentive is for the purpose of providing or improving residential structures that, upon completion will be occupied by an LMI household..
- **Slum and Blight** - Aid in the prevention or elimination of slums or blight; and
- **Urgent Need** - Meet a need having a particular urgency.

2. Needs Assessment

A Needs Assessment and analysis of HUD/FEMA demographic disaster victim data is recommend for the proportions of funding awarded that must be set aside to benefit each LMI subcategory. The Needs Assessment will determine the activities to be offered, the demographics to receive concentrated attention, and any target areas to be served.

The GLO will assist Subrecipients with the analysis and provide applicable raw data needed to develop their needs assessment.

Applicants applying for disaster assistance are processed by the Subrecipient and must meet certain eligibility standards to qualify for assistance. Eligibility standards are further discussed in the activity-specific housing guidelines.

The Needs Assessment should set goals within the income brackets similar to the damaged units in the Subrecipient's impact area. Deviations from goals must be approved by the GLO before a Subrecipient can move forward:

- 0% - 30% AMFI
- 31% - 50% AMFI
- 51% - 80% AMFI

3. Environmental

All sites must undergo a complete environmental review prior to any commitment of funds. The environmental review should document compliance with 24 CFR Part 58 and all related laws and authorities. Properties with adverse environmental conditions will not be permitted to proceed under housing activities unless the adverse conditions are corrected. No work can start on a site until the environmental evaluation is complete.

4. Proof of Event damage

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

- FEMA, SBA or Insurance award letters;
- In the event that the above-referenced documentation is not available, an inspection report/damage assessment (complete with photos of the damage and a written assessment of the damage by each photo take) conducted by a certified or licensed inspector (MPS, TREC, or similar license) must be supplied by the Subrecipient that certifies the damage occurred as a result of the event. Refer to the GLO's Damage Assessment Guidelines; or
- In the event that FEMA, SBA, or Insurance award letters are not available and an inspection report is inconclusive as to the cause of the damage, the Subrecipient may provide alternative evidence, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations, GLO approval is required.

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

A Damage Assessment must be performed by a certified or licensed inspector (MPS, TREC, or similar license) to specifically and clearly document event related damage via photographic evidence and detailed narratives in the event that the survivor did not receive FEMA or SBA funds for the repair or replacement of a home. The Damage may also include a final cost of repair estimate. Damage to homes will be repaired according to local code and HUD's Minimum Property Standards.

5. Size of Unit

HUD guidelines provide occupancy policies that allow for two persons per bedroom as reasonable. The GLO follows the HUD HOME Program in determining household size.

Exceptions to this standard are based on the following factors:

- No more than two persons are required to occupy a bedroom.
- Persons of different generations (i.e. grandparents, parents, children), persons of the opposite sex (other than spouses/couples), and unrelated adults are not required to share a bedroom. Note: All persons over the age of 18 are considered adults.
- Couples living as spouses (whether or not legally married) must share the same bedroom for issuance size purposes.
- A live-in aide who is not a member of the family is not required to share a bedroom with another member of the household. Note: The need for a full time live-in aide must be documented.
- Individual medical problems (e.g. chronic illness) sometimes require separate bedrooms for household members who would otherwise be required to share a bedroom. Documentation supporting the larger sized unit and related subsidy must be provided and verified as valid.
- In most instances, a bedroom is not provided for a family member who will be absent most of the time, such as a member who is away in the military. If individual circumstances warrant special consideration, a waiver may be approved.
- To comply with the standard, Subrecipients must follow and document the reason for a requested exception as noted in the issuance size exception section below.

When determining family issuance size, include all children expected to reside in the unit in the next year as members of the household. Examples include, but are not limited to, the following:

- Pregnant women: Children expected to be born to pregnant women are included as members of the household.
- Adoption: Children who are in the process of being adopted are included as members of the household.
- Foster Children: Foster children residing in the unit along with families who are certified for foster care and are awaiting placement of children are included as members of the household. If children are anticipated to occupy the unit within a reasonable period of time, they must be considered when determining the issuance size.
- Joint/Shared Custody Arrangements: In most instances children in joint/shared custody arrangements should occupy the unit at least 50% of the time. However, if individual circumstances merit special consideration, a waiver may be approved as outlined in the section on Issuance Size Exceptions. The custody arrangement may be verified by the divorce decree/legal documents or by self-certification.
- Custody of Children in Process: Children, whose custody is in the process of being obtained by an adult household member may, be included as members of the household. Evidence that there is a reasonable likelihood that the child will be awarded to the adult (i.e. within three months) must be provided in order for such child to be included.
- Children Temporarily Absent from Household:

- Children temporarily absent from the home due to placement in foster care may be included as members of the household. Evidence that there is a reasonable likelihood that the child will return to the household (i.e. within three months) must be provided in order for such child to be included.
- Children who are away at school but live with the family during school recesses are included as members of the household.

Issuance size exceptions may be granted by the Subrecipient.

- Chronic Illness – An individual with an ongoing health problem who requires at least part-time assistance on a regular basis;
- Pending Child Custody cases – Includes, but is not limited to, children in foster care who may be returning home, foster children, pending adoptions, etc;
- Parental Custody Situations – Children physically occupy the unit less than 50% of the time as documented by a divorce decree and/or self-certification.

Waivers for other individual circumstances may be granted with pre-approval by the GLO. The family must request a waiver in writing and explain the need and justification.

6. Timeliness of Applicant Status

The Subrecipient will ensure timely communication of application status to applicants who have applied for disaster recovery assistance.⁵ Timeliness means multiple methods of communication, such as websites, toll free numbers, or other means that provide applicants for recovery assistance with timely information to determine the status of their application for recovery assistance at all phases. Procedures must indicate methods for communication (i.e. website telephone, case managers, letters, etc.). Subrecipients must ensure the accessibility and privacy of individualized information for all applicants, frequency of applicant status updates and personnel or unit responsible for information applicants of the status of recovery applications.

7. AFFH Review

All projects must undergo an AFFH review by the GLO prior to any commitment of funds. Such review will include assessment of a proposed project’s area demography, socio economic characteristics, housing configuration and need, educational, transportation, health care opportunities, environmental hazards or concerns, and all other factors material to the determination. Applications should show that projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, non-minority areas in response to natural hazard related impacts.

⁵ Federal Register/Vol. 81, No. 117/Friday, June 17, 2016/Notices (2015 Flood event); Federal Register/Vol. 81, No. 224/Monday, November 21, 2016/Notices (2016 Flood event); Federal Register/Vol. 82, No. 247/Wednesday, December 27, 2017/Notices (Hurricane Harvey)

B. Housing Assistance Caps

Unit Costs must be necessary, reasonable, allowable, and allocable. Refer to 2 CFR Part 200 Subpart E.

Project Type	Homebuyer Down Payment Assistance	Acquisition/ Buyout**	Recon/ New Construction	Rehabilitation
Base Unit		Fair Market Value (FMV) (Pre or Post Disaster)	*Local Composite Bid	*Local Composite Bid <i>max</i> \$65,000
Replacement With Energy Efficient Manufactured Housing Unit (MHU)			*\$75,000	
Non-Coastal Elevation			\$35,000	\$35,000
Coastal Elevation			\$60,000	\$60,000
Water Well			\$30,000	\$30,000
Septic System			\$25,000	\$25,000
Accessibility			\$20,000	\$20,000
Abatement			\$20,000	\$20,000
***Project Soft Costs			***Actual and max \$10,000	***Actual and max \$7,000
Relocation Assistance		Up to \$15,000 for a lot or newly constructed home****		
		Up to \$10,000 for an existing home****		
Down Payment	Up to 100% of the Required Amount			
Buyout Incentives		Up to \$25,000****		

***Local Composite Bid**

All program units will require a local composite bid. Composite bid costs are set costs resulting from locally procured builders and include the builder's house plans to be used in the program. Builders will have their architect and engineering firm design or modify the plans as necessary for the program. This is included in the architecture costs of a unit. Note if floor plans are re-used, there shall be a one-time fee for the original production of the blueprints. That fee cannot be charged for every house built from that floor plan going forward. Only a nominal fee for producing copies of the floor plan will be allowed. Builder plans will be provided to the GLO for review and approval.

****Acquisition /Buyout**

Services are limited to actual costs for services used to complete an acquisition of a home in a floodplain or floodway and the intent is to relocate the LMI homeowner and their family to a low-risk area outside of the floodplain/floodway. Housing Incentives are generally offered in addition to other programs or funding (such as insurance), to encourage households to relocate in a suitable housing development or an area promoted by the community's comprehensive recovery plan.

*****Project Soft Costs**

Project soft costs are direct costs specifically related to the replacement of an MHU, rehabilitation, reconstruction, or new construction. These costs include site-specific utility disconnect or reconnect fees, permits, elevation certificate work, topographic survey costs, damage assessments/inspections, and code inspections. Additionally, one year of homeowner insurance(s) may be purchased for each unit. If a property was damaged by a flood but was outside of the 100-year flood plain, the Subrecipient may purchase flood insurance to reduce the economic risk from future floods. Builder's risk, general liability, and bonding requirements may also be included as a unit cost. The GLO may grant an exception to increase the unit soft cost for unexpected or unforeseen costs during construction. All Subrecipients will be required to use the GLO's 11.17 Work Write-Up/Cost Estimate form.

Additionally, a change order request must be submitted with the necessary support documentation to warrant an exception. All change order requests must follow federal and state procurement requirements to obtain reasonable costs.

**** Buyout Incentives – The purpose of the incentive is to encourage maximum participation by Property Owners, and remove as many properties as possible from high risk areas. Incentives are only allowable if the post-disaster FMV is used to purchase the home. A buyout incentive is not available for properties that served as second homes at the time of the disaster, or following the disaster.

Multifamily rental maximum project cap is outlined in the GLO's approved Action Plan.

The maximum award cap under the Single Family Rental Program is based on the number of bedrooms in the rental unit. The Single Family Rental Program must follow federal and state procurement requirements to obtain reasonable rehabilitation, reconstruction, or new construction costs. Refer to the GLO's approved Action Plan to obtain caps for the specific event. Additionally, all CDBG-DR funded multi family activities will require a minimum twenty (20) year Land Use Restriction Agreement (LURA).

C. Affirmative Marketing Outreach Plan

Local jurisdictions administering the CDBG-DR Disaster Recovery Program are committed to affirmatively furthering fair housing through established affirmative marketing policies.

Affirmative marketing efforts for the disaster funding will include the following:

- An Affirmative Fair Housing Marketing Plan, based on the U.S. Department of Housing and Urban Development (HUD) regulations, is to be followed by the Subrecipient. The plan must include items on the GLO's checklist to affirmatively market units financed through the Program. The procedures cover dissemination of information, technical assistance to applicants, project management, reporting requirements, and project review.
- The goal is to ensure that outreach and communication efforts reach eligible survivors from all racial, ethnic, national origin, religious, familial status, the disabled, "special needs", and gender groups. For each project or program, notification to these populations should include:
 - Fully informed of vacant units available for sale and/or rent;
 - Encouraged to apply for purchase, rehabilitation, and/or rent;
 - Given the opportunity to buy and/or rent the unit of their choice; and
 - Given the opportunity to rehabilitate their primary residence, which sustained damages due to the event and/or its after-effects.
- Particular emphasis should be focused on successful outreach to LMI areas and those communities with minority concentrations that were affected by the disaster. Outreach efforts may include door-to-door canvassing and special outreach efforts to hard-to-reach populations (e.g. seniors, and persons with severe disabilities who either do not have information about the resources available or are unable to apply for resources).
- In addition to marketing through widely available media outlets, efforts may be taken to affirmatively market the CDBG-DR Disaster Recovery Program as follows:
 - Advertise with the local media outlets, including newspapers and broadcast media, which provide unique access for persons who are considered members of a protected class under the Fair Housing Act.
 - Include flyers in utility and tax bills advertising the Program.
 - Reach out to public or non-profit organizations and hold/attend community meetings.
 - Other forms of outreach tailored to reaching the eligible population, including door to door outreach if necessary and on the weekends.
- Measures will be taken to make the Program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), providing sign language assistance when requested, and providing special assistance for those who are visually impaired when requested.
- Applications and forms will be offered in English and other languages prevailing in the region in accordance with Title VI of the Civil Rights Act of 1964, including persons with disabilities (24 CFR 8.6), Limited English Proficiency (LEP) and other fair housing and civil rights requirements, such as the effective communication requirements under the Americans with Disabilities Act. Every effort will be made to assist such applicants in the application process.
- Case Managers will help navigate and inform survivors who may qualify for acquisition and buyout of their damaged unit to remove them from flood hazards, environmental hazards, segregated areas, and other unsafe conditions.
- Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.

- The Subrecipient will be required to use the Fair Housing logo in Program advertising, post Fair Housing posters and related information, and, in general, inform the public of its rights under Fair Housing regulations law.
- Multi Family Rental Programs must develop an Affirmative Marketing Plan for each development receiving CDBG-DR Disaster Recovery funding. Pursuant to federal regulations, the plan will outline strategies to inform the public about the housing opportunities, requirements/practices that the owner must adhere to in executing the Affirmative Marketing Plan, procedures that will be followed in soliciting applications, and a description of records that will be maintained and made available for review.
- Evaluation of outreach activities and applications received will be necessary to determine if outreach is successful and applications that are being received accurately reflect the socioeconomic and other forms of demographic diversity. Evaluation should be an ongoing process. The GLO will assist Subrecipients by reviewing application intake reports before the Subrecipient begins qualifying applicants and periodically thereafter.

D. Reporting Requirements

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

1. Section 3

Compliance with Section 3 is required by 24 CFR Part 135 and the executed contract between the Subrecipient and the GLO. Subrecipients should refer to the GLO's Section 3 Policy.

2. Applicant Data

The GLO will establish procedures for Subrecipients to collect and report data relevant to HUD. The reporting requirements will include, but not be limited, to the following for each program activity requiring a direct application by an individual or non-institutional entity:

- Applicant household's income;
- Household's income as a percentage of area median family income as defined by HUD;
- The race, ethnicity, and gender of the head of household;
- The household's familial status;
- The presence or non-presence of a household member with a disability; and
- The presence or non-presence of a household member that is a Veteran.

3. Records Retention

All official records on programs and individual activities shall be maintained for a five-year period beyond the closing of a grant between the GLO and HUD. Applicant records may be maintained electronically. Subrecipients should contact the GLO to obtain an approved electronic record management system utilizing the GLO's Activity File Checklist.

E. Procurement Requirements

The Subrecipient must provide adequate documentation to show that the selection process was carried out in an open, fair, uniform, and thorough manner to ensure that federal (2 CFR 200.318 – 200.326) and state procurement requirements were met.

It's important to note that failure to maintain proper documentation may result in disallowed costs. These records must include, but are not limited to, the following information:

- Rational for the method of procurement;
- Evaluation and selection criteria;
- Contractor selection or rejection; and
- The basis for the cost or price.

During the procurement process, the Subrecipient should clearly identify any items included in the bid/purchase that are not included in the CDBG-DR contract. The Subrecipient may utilize HUD's CDBG-DR and Procurement guidance⁶.

The Subrecipient must procure goods and services using the federal procurement and contract requirements outlined in 2 CFR 200.318 – 200.326. These procurement requirements must be followed for reimbursement from grant allocations of Community Development Block Grant Disaster Recovery funds provided by the U.S. Department of Housing and Urban Development (HUD).. Subrecipients are also required to follow state and local procurement law and policies as prescribed by 2 CFR 200.318(a) as well as the additional requirements stated in 2 CFR Part 200.

The Subrecipient should update its procurement policies and procedures to correspond with the procurement and contract requirements of 2 CFR 200.318 – 200.326 for CDBG-DR funding.

Additionally, the GLO may review draft solicitations or responses prior to award for compliance. Please note that for residential housing repair, reconstruction, and case management of these projects, a builder assignment method to repair affected homes may be required. Subrecipients should clearly identify during the procurement process any items included in the bid/purchase that are not included in the CDBG-DR contract.

Regardless of the type of procurement used, the Subrecipient must execute a contract to document the work to be completed, the agreed price, and contractor or provider's required compliance with all applicable federal, state, and local requirements that the Subrecipient must follow. If there is a conflict between federal, state, and local laws and regulations regarding procurement, the more stringent law or regulation will apply.

Additionally, Subrecipients are required to submit a plan for compliance with Section 3 (24 CFR Part 135) requirements for GLO approval prior to the start of construction on any contract activity.

F. Site and Development Restrictions

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

1. General Standards

All Applications will be required to meet Minimum Property Standards detailed under 24 CFR §200.925, Minimum Construction Standards, Fair Housing Accessibility Standards, and Section 504 of the Rehabilitation Act of 1973. Housing activities must also meet all local building codes or standards that may apply.

⁶ <https://www.hudexchange.info/resource/5614/buying-right-cdbg-dr-and-procurement-a-guide-to-recovery/>

2. Constructed or Substantial Improvements

International Residential Code 2012 or higher (IRC) (with windstorm provisions) and International Building Code (IBC) must also be met where they apply. All rehabilitation projects must comply with Minimum Property Standards (MPS) and all applicable local codes and ordinances. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a CDBG-DR assisted property an inspection must be performed by a qualified person. All rehabilitation, reconstruction, and new construction should be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters. Whenever feasible, Subrecipients should follow best practices, such as Professional Certifications and Standard Work Specifications provided in the U.S. Department of Energy's Guidelines for Home Energy Professionals.

3. Standards for rehabilitation of non-substantial damaged residential

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

4. Minimum Property Standards (MPS)

CDBG-DR assisted housing that is construction or rehabilitation (e.g. acquisition) must meet all applicable State and local housing quality standards and code requirements, and if there are no such standards or code requirements, the housing must meet HUD's Minimum Property Standards in 24 CFR §200.925 or 24 CFR §200.926.

5. Green Building⁷

New Housing Construction must include compliance with ONE of the following Green Standards:

- a. ENERGY STAR (Certified Homes or Multi Family High-Rise);
- b. Enterprise Green Communities;
- c. LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development); or
- d. ICC-700 National Green Building Standard.

Subrecipients must identify which Green Building Standard will be used in the program's policies and procedures for replacement and new construction of residential housing.

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

⁷ Federal Register/Vol. 81, No. 117/Friday, June 17, 2016/Notices (2015 Flood event); Federal Register/Vol. 81, No. 224/Monday, November 21, 2016/Notices (2016 Flood event); Federal Register/Vol. 83, No. 28/Friday, February 9, 2018/Notices (Hurricane Harvey)

Additionally, the implementation of green building standards will apply for construction projects completed, underway, or under contract prior to the date that assistance is approved for the project. The Subrecipient is encouraged to apply the applicable standards to the extent feasible, but the Green Building Standard is not required. For specific required equipment or materials for which an ENERGY STAR- or WaterSense-labeled or FEMP-designated product does not exist, the requirement to use such products does not apply.

6. Accessibility

Single Family Housing Units must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and the GLO's Visitability Standards. Multi family housing developments must meet the design and construction requirements at the Texas Administrative Code, Title 10, Chapter 60, Subchapter (B) (10 TAC §60.201-211). Covered multi family dwellings, as defined at 24 CFR §100.201 as well as common use facilities in developments with covered dwellings, must meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. §3601–3619), the design and construction requirements of the Fair Housing Act Design Manual and the ADA 2010 requirements with the HUD exceptions (Federal Register, Vol. 79, No. 100, May 23, 2014). Additionally, developments involving new construction (excluding construction of nonresidential buildings) where some units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (e.g. one bedroom, two bedroom, three bedroom) must provide an accessible entry level and all common-use facilities in compliance with the design and construction requirements of the Fair Housing Act Design Manual and include a minimum of one bedroom and one bathroom or powder room at the entry level. A compliance certification will be required after the development is completed from an inspector, architect, or accessibility specialist.

7. Elevation Standards for new construction, repair of substantial damage, or substantial improvement.

The GLO will apply the following elevation standards to new construction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1). All structures, as defined under 44 CFR 59.1, designed principally for residential use and located in the 100-year (or 1 percent annual chance) floodplain that receive assistance for new construction, repair of substantial damage, or substantial improvement, as defined under 24 CFR 55.2(b) (10), must be elevated with the lowest floor, including the basement, at least 2 feet above the annual floodplain elevation. Residential structures with on dwelling units and no residents below two feet above the 1 percent annual floodplain, must be elevated or floodproofed standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above the 1 percent annual floodplain.

8. Resilient Home Construction Standards

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

G. Conflict of interest

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

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

The GLO is able to consider granting an exception to the conflict of interest provision should it be determined by the GLO that the Subrecipient has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program. The Subrecipient should not enter into a conflict of interest until justification has been received and approved by the GLO in accordance with applicable procurement laws.

H. Complaint/appeal process

1. General Policy

The GLO and the Subrecipients are responsible for responding to complaints and appeals in a timely and professional manner. The Subrecipient will keep a record of each complaint or appeal that it receives to include all communications and their resolutions.

When a complaint or appeal is received, a representative will respond to the complainant or appellant within three (3) business days where practicable. For expediency, the Subrecipient shall utilize telephone communication as the primary method of contact; however, email and postmarked letters will be used as necessary.

2. Responsibilities

The Subrecipient should identify customer service specialists within their program tasked with handling all homeowner inquiries.

The customer service specialists are responsible for (1) determining whether or not complaints and appeals relate to the business or authority of the Subrecipient, (2) ensuring that a response to all complaints and appeals are within the appropriate time frame (a response must be provided within 15 working days of the receipt of the complaint), and (3) ushering all complaints and appeals through to a resolution.

Since Subrecipients are most often the first line of communication for program beneficiaries, they shall have an internal procedure for handling incoming complaints, including a complaint escalation process in order to ensure that complaints are handled at the earliest stage in the process.

3. Documentation

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

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

I. Audit Requirements

All subrecipients receiving funds which exceed the thresholds set in 2 CFR § 200.501, Audit Requirements, shall have a single or program specific audit conducted in accordance with the applicable federal requirements. For-profit subrecipient audits should incorporate the program specific compliance guidance issued by the U.S. Department of Housing and Urban Development. Subrecipients should ensure that any subsequent entities receiving pass-through funds which also meet the definition of a subrecipient receive audits as detailed above.

J. Changes, waivers, and/or conflicts

The Subrecipient has the right to change, modify, waive, or revoke all or any part of these guidelines, with the prior written approval of the GLO.

Waivers to the requirements in these Guidelines can only be approved by the GLO and must be provided in writing. The GLO will provide the option for a waiver, only after the posting of the waiver request on the Subrecipient's website for a public comment period of at least seven (7) days. The waiver request must demonstrate why the housing guidelines are not practicable for the Subrecipient.

In the event that these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state, or federal law.

4. Single Family Housing

A. Survivor Case Management

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

Subrecipient Case Managers will work to assist survivors from inception to closeout of their recovery needs. It is recommended that there be a single point of contact for each survivor to ensure that

survivors have the immediate contact information and needs to be successful in their long-term recovery efforts. As survivor applications are being accepted and reviewed for determinations of eligibility to participate in the Program, each survivor should be counseled and made aware of their application status.⁸ Consult with the GLO to determine best feasible option.

Application Intake and Counseling

A mechanism must be incorporated into Program Design to prevent any pre-screening of applicants without a written application being taken. Anyone who makes an inquiry about the program will be provided a GLO application package to complete. All such inquiries will be reported in a format to be provided by GLO.

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

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

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

B. Assisted Homeowner Eligibility Requirements

The following are threshold requirements, which must be met for an applicant to be eligible for assistance. Eligibility does not assure assistance, since a prioritization strategy within LMI economic subgroups will be required (consistent with Program Design requirements) and it is expected that there will be more eligible applicants than can be served with available funds.

1. Eligibility

The income limits to be utilized for the CDBG-DR Single Family Homeowner Program are the current income limits established yearly by HUD for the Section 8 Housing Program. Subrecipient must always use the most recent income limits and will be monitored for compliance. All beneficiaries of the Single-Family Homeowner Program must meet a National Objective. Only applicants with an unmet need related to the CDBG-DR funded event will be eligible. HUD has waived homeownership assistance for households with up to 120 percent of the area median income. While homeownership assistance may be provided to households with up to 120 percent of the area median income, only those funds used to serve households with up to 80 percent of the area median income may qualify as meeting the low-and moderate-income person benefit national objective. CDBG-DR assistance for rehabilitation/reconstruction of a damaged home, is prohibited for (a.) the combined household income is greater than 120% AMI or national median, (b.) the property was located in a floodplain at the time of the disaster, and (c.) the

⁸ Federal Register/Vol. 81, No. 117/Friday, June 17, 2016/Notices (2015 Flood event); Federal Register/Vol. 81, No. 224/Monday, November 21, 2016/Notices (2016 Flood event); Federal Register/Vol. 82, No. 247/Wednesday, December 27, 2017/Notices (Hurricane Harvey)

property owner did not maintain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.

2. Proof of ownership

The applicant must be an individual who owns the property to be repaired, rebuilt, or replaced due to damage from the event. Proof of ownership is not a requirement for the Down Payment Assistance or Demolition activities. Ownership can be documented as follows:

- a. Provide a copy of a valid deed of trust or warranty deed that is recorded in the county records which cites the applicant's name. For MHUs, a Statement of Ownership and Location (SOL) must be provided.
 - Lien's on MHU properties – If an applicant owns a mobile home and there is a lien on the property, the Subrecipient will work to ensure that the lien is transferred properly (if one is in place with the mortgage company). The MHU needs to be “perfected” and made a real property showing that is fixed to the lot. The wheels and axel need to be removed, and a statement of location needs to be in place from TDHCA.⁹ Once this is done, the lender can transfer the lien from the mobile home to the new property.
- b. For the purposes of federally funded disaster recovery programs, ownership may be proven in the following manner:
 1. Applicants may prove ownership by providing alternative documentation and completing a notarized affidavit that certifies one of the following circumstances applies:
 - a) There is nobody else who has the right to claim ownership;
 - b) Anyone who has a right to claim ownership has agreed to participate in the program; or
 - c) Anyone who has a right to claim ownership could not be located (after reasonable attempts to contact).
 2. The alternative documentation that can be provided instead of a copy of the deed includes (in order of preference):
 - a) Tax receipts;
 - b) Home insurance;
 - c) Utility bills; or
 - d) Other documentation deemed to be acceptable by the GLO.
 3. The documentation must show that the applicant was the person responsible for paying for these items at the time of the disaster. The required affidavit, form, and instructions may be found on the GLO's www.texasrebuilds.org.
 4. The above-referenced alternatives are not optional, must be incorporated into Program Design, and allowed to prove ownership for all CDBG-DR Programs in the State of Texas.

⁹ <https://www.tdhca.state.tx.us/mh>

3. Principal Residency

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

4. Property taxes

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

- The property owner qualified for and received a tax deferral as allowed under Section 33.06 of the Texas Property Tax Code;
- The property owner qualified for and received a tax exemption pursuant to Section 11.182 of the Texas Property Tax Code; or
- The applicant entered into a payment plan with the applicable taxing authority.
- Support documentation verifying the tax deferral or tax exemption must be provided by the applicant. Any applicant that enters into a payment plan must supply a signed copy of the payment plan from the applicable taxing entity along with documentation that they are current on their payment plan.

5. Duplication of Benefit (DOB) Review

Each applicant will be reviewed to determine if previous funding was appropriately used on the home. The applicant must have an unmet need to move forward in the program. Subrecipients must determine the applicant's unmet needs first prior to calculating the applicant's DOB. Applicants must provide insurance, FEMA, SBA, and any other type of funding documentation for funds that were received. Additionally, the Subrecipient/GA must verify that the submitted data is accurate to the best of their abilities (e.g. validate against FEMA data).

Using the GLO's DOB Calculation Form, if the prior assistance received exceeds the documented repairs, this calculated amount becomes the DOB amount. To reconcile the DOB amount owed, the applicant can provide the DOB amount, or the applicant may be offered a reduction in the scope on the repair or replacement of their home's nonessential components (e.g. laminate for tile floors, etc.). Subrecipients must use the approved DOB forms when determining an applicant's final DOB. The DOB Calculation Form may be found on the GLO's www.texasrebuilds.org website.

Subrecipients must develop policies and procedures to prevent any duplication of benefits when determining an applicant's unmet need. The policies and procedures must include recapture instructions, (e.g. applicant is currently appealing or suing its insurance company recapture of future funds will need to be completed by the Subrecipient); monitoring procedures to include priorities and frequency to comply with an executed Subrogation Agreement.

6. Child support¹⁰

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

7. Damage assessment

All applicant's home must be assessed to verify that it was damaged from the event. A damage assessment report along with pictures will be required for each applicant. Please refer to the GLO's Damage Assessment Guidelines.

8. Environmental Review

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

9. Flood Insurance Verification/Requirements

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

C. Property Eligibility Requirements

The following threshold requirements are applicable to the assisted unit and must be met for the applicant to receive assistance. The Demolition and Homebuyer Assistance programs are not limited to these specific requirements. They are discussed further under Section G below.

- Unit Characteristics – Only single family owner-occupied units within the Subrecipient's jurisdiction will be eligible for Single Family Homeowner Programs.
- Manufactured Housing Units (MHUs or mobile homes) are eligible for rehabilitation at the discretion of the Subrecipient: however, the MHU to be rehabilitated must be no more than 5 years old at the time of assistance and no more than \$10,000 in hard and soft construction costs can be used to rehabilitate a MHU. The MHU must meet MPS upon completion. MHU rehabilitation costs that exceed \$10,000 will require reconstruction. Reconstruction of MHUs will consist of replacing the MHU with another MHU or a stick-built home that will meet the current needs of the family or individual.
- If there are additional eligible projects, they will be listed under the specific housing project activity section (Section G).

¹⁰ Family Code, Title 5, Section 231.006

D. Improvements

1. Types of Improvements

- Improvements needed to meet HUD Section 8 Existing Minimum Property Standards and Cost-Effective Energy Measures are eligible improvements.
- Improvements must be physically attached to the house and be permanent in nature (e.g., sheds or garages located separately from the house are ineligible). Eligibility of attached structures such as carports or utility rooms is based upon available funds and agreement by GLO in cases where safety or the structural integrity of the house is involved.
- Improvements will include, as necessary, lead-based paint abatement, asbestos abatement, handicapped accessibility for special needs, energy efficiency, or ventilation items such as ceiling fans, window screens, screen doors, and window blinds.
- Ranges, refrigerators, and other necessary appliances are eligible items; however, they will only be considered eligible when they are not present or the repair would not be cost effective. They will be dealt with on a case-by-case basis.
- Documentation to support non-traditional housing costs, because they are required by local codes or homeowner associations, must be submitted to the GLO for approval.
- Required permits, if any, will be obtained by the contractor at his/her expense and will be included as part of the bid costs.
- Assistance will not be used for luxury items, including but not limited to, garage door openers, security systems, swimming pools, fences, and television satellite dishes.
- Garages, fences, and brick or masonry are not generally eligible unless required by jurisdictional code set forth by the city, county, and/or a homeowner's association.

2. Supplemental Improvements

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

E. Inspection Requirements

Each project will require an inspection(s) during the lifecycle of the project. The required inspections are dependent on the activity type (e.g. Reconstruction, Rehabilitation, etc.), which are outlined below. Further details regarding the inspections are included under the specific activity types in title G. Housing Project Activity Types of this guidance. The program will only pay for one inspection per activity per phase outlined below. Any additional inspection costs will be the responsibility of the contractor building the home.

Single Family Housing Inspection Requirements					
Application Type	50%	Final Inspection	Demolition Confirmation	TREC	Monitoring Inspections
Reconstruction	Yes	Yes	Yes	Yes**	%*
Rehabilitation	Yes	Yes****		Yes	%*
HBA (Down Payment Assistance)				Yes***	
Buyout			Yes		
Demolition			Yes		

*Monitoring inspections are performed by GLO representatives.
**TREC inspections are performed by GLO representatives.
***Not performed on mobile homes
**** For substantial rehabilitation only

F. Project Closeout/Affordability Monitoring Requirements

Approved projects will require affordability note monitoring and Land Use Restriction Agreement Monitoring. For homeowner assistance activities, the subrecipient must consider setting a budget to accommodate the necessary work to perform the monitoring requirements under the Unsecured Forgivable Promissory Note for three (3) years. For rental recovery activities, the Subrecipient must consider setting a budget to accommodate the necessary work to perform the monitoring requirements for the affordability period and Land Use Restrictions Agreements (LURA). The LURA for single family rental activities is five (5) years. The LURA for Multi family Rental activities is determined by the FR. To ensure compliance with the requirements of the 13.09 executed with the homeowner, the Subrecipient will perform at a minimum an annual check to confirm all promissory note commitments are in place through the term of the 13.09. Insurance notice of default should be documented and followed up on as they are received by the Subrecipient. The Subrecipient should use the GLO Monitoring Process, but alternates can be proposed for GLO approval.

G. Housing Project Activity Types

1. Rehabilitation, Reconstruction or New Construction

a. Overview

Benefit for low- to moderate- income (LMI) applicants is the principal National Objective approved for the Disaster Recovery Single Family Homeowner Program. The use of Slum and Blight and Urgent Need is eligible and, if requested by the Subrecipient, will be evaluated during application review. Homeownership assistance for households earning up to 120 percent of the area median income is allowed; however, only those funds used for households with up to 80 percent of the area median income may qualify as meeting the low- and moderate-income person benefit national objective. It is important to note, that to carry out this objective, the statute requires that not less than 70 percent of the aggregate of CDBG program funds be used to support activities benefitting low- and moderate- income persons.

Eligible activities, which are defined in the definitions section of the guidelines, are as follows: rehabilitation, reconstruction, new construction, and associated elevation and demolition

charges. The primary focus of this program is to provide relief for those people impacted with consideration given to affirmatively further fair housing, as called for within the Fair Housing Act.

The Subrecipients Program Implementation begins with determining the survivor's unmet needs for the rehabilitation, reconstruction, or new construction of survivor's home. Subrecipients approved Needs Assessment and Outreach Plan described in the guidelines will guide Subrecipients on how they are to offer housing activities to meet the types of housing needs experienced by the affected population and the demographics to receive concentrated attention.

Rehabilitation or Reconstruction assistance may be offered to survivors. Based on the extent of damage, survivors may be eligible for rehabilitation or reconstruction of their homes.

Temporary relocation assistance may be offered at the discretion of the Subrecipient; however, the assistance may not exceed \$5,000 or three months of expenses per household, unless otherwise allowable by the Federal Register and approved by the GLO.

At final closeout (this can be at final inspection) the builder will submit a Building Contractor's Request for Payment, Form 11.03. The 11.03 Form is signed by the builder, homeowner, inspector, and Subrecipient Representative.

Subrecipients may fund new Construction activities as defined in 42 U.S.C. 5305(a) and 24 CFR 570.207(b)(3) as HUD has waived this requirement if the new activity clearly addresses a disaster related impact and is located in a disaster-affected area. This impact can be demonstrated by the disaster's overall effect on the quality, quantity, and affordability of the housing stock and the resulting inability of that stock to meet post-disaster needs and population demands.

b. Housing Standardization

For new and reconstructed homes, construction specifications (for 2, 3, and 4-bedroom homes with total square footage ranges) will be developed by the Subrecipient. Each home must be constructed in accordance with local code. The Subrecipient may engage an architect to allow for local architectural variations; however, basic square footage (within ranges see Size of Units below), room requirements, building materials, and general specifications must remain standardized for any home newly constructed or reconstructed with CDBG-DR funding. Elevation options will be developed by the Subrecipient. The standardized specifications will then be put out for bid locally. House plans become property of the Subrecipient to use for possible future federal funding. Plan cost should only occur once and may be used throughout the implementation of the housing recovery program.

c. Visitability Checklist

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

- At least one 36" entrance door (preferably the main entrance) is on an accessible route served by a ramp or no-step entrance.
- Each interior door is at least a standard 32" door, unless the door provides access only to a closet of less than 15 square feet.

- Each hallway has a width of at least 36” and is level with ramped or beveled changes at each door threshold.
- Each bathroom wall is reinforced for potential installation of grab bars.
- Each electrical panel, light switch, or thermostat is not higher than 48” above the floor.
- Each electrical plug or other receptacle is at least 15” above the floor.
- If the applicable building codes do not prescribe another location for the breaker boxes, each breaker box is located not higher than 48” above the floor inside the building.

d. Size of units

Guidance for the preferred amount of people per bedroom is discussed in the Program Design section of these guidelines. The GLO determined total square footage ranges are as follows:

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

e. Rehabilitation Caps

Rehabilitation of existing homes damaged by the event is capped at \$65,000. Additional expenses, such as elevation, are allowed as limited by the Housing Assistance Caps as described in the Program Design section of these guidelines. Estimated rehabilitation costs exceeding this cap will be recommended for reconstruction. An estimated cost of repair (ECR) using RS Means or similar will determine if the unit is to be rehabilitated or reconstructed. Subrecipient should refer to the definition of “substantial improvement” when determining damage and final unmet need calculations.

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

f. Construction

1. If the unit to be assisted was built prior to 1978 and the type of assistance offered will be rehabilitation, the assisted unit will be tested for the presence of lead based paint and asbestos containing materials. If present, the removal and abatement of lead based paint and asbestos containing materials will be considered in the costs of rehabilitation under the Abatement cap as described in the Program Design section of these guidelines. Lead based paint and asbestos containing material inspections provide two benefits: (1) the costs of abatement are considerable and must be factored into the cost estimates for rehabilitation, and (2) the health risks to residents, particularly children in the case of lead based paint, may be severe so any presence of lead based paint in an assisted unit, even one that is to be reconstructed, must be reported so that the residents may seek appropriate medical attention.
2. A pre-construction conference between the assisted homeowner, contractor, and the Subrecipient will be conducted to insure all parties are in agreement about the work to be completed. The pre-construction conference will consist of two parts:

- a. Part 1 – Basic contract and procedural issues to include begin and end dates of the contract, terms of the contract, payment schedules and procedures, inspection procedures and requirements, responsibilities of the contractor and the assisted homeowner, change order procedures, payment requests and procedures (escrow account), lead-based paint requirements, role of the Subrecipient, complaint and conflict resolution procedures, and other programmatic procedures.
 - b. Part 2 – A walk-through of the house for rehabilitation assistance. All parties should understand how the work will proceed. Instructions will be given regarding clean up by the homeowner prior to the work and the contractor after the work.
3. Housing that is constructed or rehabilitated with CDBG-DR funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. International Residential Code 2012 or higher (IRC) (with windstorm provisions) and International Building Code (IBC) must also be met where they apply. All rehabilitation projects must comply with Minimum Property Standards (MPS) and all applicable local codes and ordinances. Additional codes and standard requirements are detailed in the Program Design section of these guidelines.

g. Construction Agreement

The construction agreement for stick-built homes will be a tri-party agreement between the Rehabilitation/Reconstruction Contractor, the assisted homeowner, and the Subrecipient.

h. Property Inspection and Final Payment

1. Preliminary Inspections

A preliminary inspection will be conducted by the Subrecipient to determine the condition of the unit for each application and to verify damage by the event if FEMA, Small Business Administration (SBA), or Insurance award letters are not available. The initial inspection will be conducted by the Subrecipients inspector or another qualified inspector, and a list of the deficiencies will be prepared. The inspection will provide an estimate of repair costs to determine whether rehabilitation or reconstruction will be offered and must be in sufficient detail to be utilized in the creation of work write-ups. This process documents the unmet needs for the applicant with respect to rehabilitation or reconstruction of their damaged home.

2. Progress Inspections

- a. Progress inspections performed by the Subrecipient (50% and Final) serve three primary purposes: 1) to evaluate the contractor's progress; 2) to confirm that local building codes or standards have been satisfactorily met; and 3) to confirm that all requirements of the contract have been met to all parties' satisfaction.
- b. At key stages in the project, the Subrecipient will schedule inspections. Key stages are times when work such as wiring and plumbing are completed and still exposed prior to the wall or flooring being replaced; or when work being performed by a specialty subcontractor, who will be present for only a short time, is nearing completion.
- c. Inspections to approve progress payments will be made at a time requested by the contractor. These inspections will be made promptly upon request so as not to

delay the processing of the contractor's payments. If at all possible, the same person will conduct inspections each time.

- d. The Subrecipient requires that electrical work be completed by an electrician with an approved license from a city or cities that issue such licenses.
- e. A master licensed plumber must perform all plumbing work.
- f. Building permits are required for all applicable construction work.

3. Final Inspections

- a. As in all construction projects, a punch list will be developed toward the end of the job. A punch list is a listing of items written as specifications, which constitute the work necessary to complete the contract. The contractor and the Subrecipient can develop the punch list as a result of the final inspection, or the contractor and the assisted homeowner can create the list prior to the final inspection. The punch list will represent work documented on the work write up that was not completed. The list will not add work that had not already been identified. Once the punch list has been prepared, no other work items are expected of the contractor. If the punch list contains more than ten (10) items, the contractor is not ready for a final inspection.
- b. When work is nearing completion, including any punch list times, the contractor will notify the Subrecipient and the GLO of a specific date when the job will be ready for a final inspection. The purpose of the final inspection is to guarantee that all work called for in the contract has been completed according to specification. If progress inspections were conducted often enough to make mid-course corrections, the final inspection should only need to catch those items which have been done since the last inspection. The final inspection will be as thorough and deliberate as the initial inspection. Finished carpentry, painting, backfilling, electrical fixtures, all single-family homeowner activities, and clean-up should be closely checked for completion. The Subrecipient and the homeowner will sign off on the final inspection report.
- c. The Subrecipient will make sure that the assisted homeowner has received all warranties and instruction booklets for installed equipment.

4. Certificate of Completion and Owner Acceptance

After all items on the punch list have been satisfactorily completed, home has passed the final inspection, and all warranties issued, the project can be brought to final resolution. For purposes of accountability, the Single Family Homeowner Program must have written documentation that the assisted homeowner and Subrecipient have accepted the work (the Final Inspection requires signatures from the homeowner and Subrecipient).

5. Warranties and Retainage

- a. When final inspection determines that the work is completed in accordance with the contract, the Subrecipient will submit the contractor's request for payment and upon receipt of the funds, disburse the funds to the contractor. The Subrecipient shall retain 10% of the funds pending a supplemental inspection in no less than thirty (30) days. Following a satisfactory supplemental inspection, the retainage

will be paid to the contractor upon availability of grant funds following the final thirty (30) day inspection.

- b. If any problems are identified in this supplemental inspection, the Subrecipient will then notify the contractor to come back and correct the problems within a reasonable amount of time, not to exceed two weeks. Should the contractor fail to do so, the Subrecipient will not disburse the retainage, the assisted homeowner may take any necessary legal recourse, and the contractor will be barred from performing any more rehabilitation/reconstruction work in the Subrecipient. In addition, should the contractor be doing other work under this Single Family Homeowner Program and fail to correct any warranty problems, no other payments will be made to him/her until such problems are corrected. This will affect a builder's assignment method and these actions should be recorded.
- c. All work performed by the contractor will be guaranteed for a period of one (1) year. Such warranty will be stipulated in the construction contract between the contractor and the homeowner. For a period of one (1) year, the assisted homeowner may require the contractor to correct defects or problems arising from his/her work under this contract. Should the contractor fail to do so, the assisted homeowner may take any necessary legal recourse as prescribed in the rehabilitation or new construction contract. A reasonable amount of time will be given to correct the problem; however, in no case will such time exceed two (2) weeks to respond. Warranty notices must be issued in advance of expiration (e.g. six (6) months and one (1) month prior to expiration date of the warranty).
- d. In addition to the one-year warranty referenced above, the contractor shall provide a third party extended warranty that shall cover, at a minimum, the structural integrity and the foundation for a period of ten (10) years. Subrecipients must inform the applicants at closing what the home warranty terms are and when they expire. HUD recommends that Subrecipients include a warranty notice on a periodic basis, e.g. six (6) months from expiration, etc.

2. Homebuyer Assistance Programs (Down Payment Assistance)

a. Overview

The CDBG-DR Program makes a distinction to separate activities that benefit survivors who choose to repair their existing damaged home from those who seek assistance to purchase a new home. Applicants who elect to seek assistance to purchase a new home will be subject to this section of the Guidelines. Homeownership assistance for households earning up to 120% of the area median income; and down payment assistance for up to 100% of the down payment. While homeownership assistance may be provided to households earning up to 120 percent of the area median income, only those funds used for households with up to 80 percent of the area median income may qualify as meeting the low- and moderate-income person benefit national objective. The use of Urgent Need is limited, HUD has waived the certification requirements for documentation in using the urgent need national objective. Subrecipients must document in its guidelines how each program and/or activity funded under the urgent need national objective responds to a disaster related impact.

b. Types of Assistance

Eligible activities for Homebuyer Assistance include:

- Homebuyer Down Payment Assistance (DPA) – This includes traditional activities such as: down payment assistance, principal reduction, all reasonable closing costs including pre-paid items, and principal write-down assistance as required for the property being purchased. Subrecipients may offer up to 100% of the down payment required per household.

To assist the Subrecipients in meeting their Affirmatively Furthering Fair Housing goals, the option to serve applicants under the DPA program who were not homeowners at the time of the storm is available; however, any assistance to survivors must be needs based. CDBG-DR regulations restrict homebuyer assistance to the amount of assistance necessary to facilitate homeownership.

c. Amount of Assistance

Subrecipients may offer up to 100% amount of assistance provided and Subrecipients should only include the amount needed by the applicant to achieve homeownership.

Temporary relocation assistance may be offered at the discretion of the Subrecipient; however, the assistance may not exceed \$5,000 or three months of expenses per household. It is anticipated that the assistance will be provided when the closing occurs for the new or existing home purchase and temporary relocation assistance may not be necessary unless otherwise allowable by the applicable Federal Register and approved by the GLO.

d. Property Types

Eligible properties for down payment assistance must reside within the jurisdiction of the Subrecipient:

- Single family property (detached and attached 1-4 units)
- Condominium unit
- Cooperative unit
- Modular home/Manufactured home
- Vacant land

3. Demolition

a. Overview

Demolition activities were developed to serve as the basis for assisting program-eligible homeowners with the elimination of slum and blight but may be eligible for the LMI national objective. The Demolition program includes total removal of all standing structural components and any debris. The purpose is to address slum and blight on a spot basis and assist in the removal of vacant, deteriorated, or abandoned buildings. The program will address both voluntary and involuntary participation for any dwelling, building, structure, or property that is unfit for human habitation or for commercial, industrial, or business use and not in compliance with applicable codes; and is vacant and being used in connection with the commission of drug crimes; or constitutes an endangerment to the public health or safety as a result of unsanitary or unsafe conditions.

b. Voluntary Eligibility

Applicants shall provide complete and accurate information regarding the eligibility

criteria including information to document a Duplication of Benefit (DOB) review and a National Flood Insurance (NFIP) review.

c. Involuntary Eligibility

The structure(s) shall be required to meet eligibility requirements by verifying FEMA data for Duplication of Benefit (DOB) and conducting a National Flood Insurance (NFIP) review. The following are threshold requirements, which must be met for structure(s) eligible for assistance under the involuntary slum and blight program:

- Condemning the structure under state or local law; and
- Placing a lien on the property.

Failure to disclose accurate and complete information which may affect eligibility requirements may be referred to the GLO for further action. Applicants shall be required to make full restitution to the County if applicants submit inaccurate or incomplete information to meet eligibility requirements. Requests for further assistance will be denied unless restitution is made in full.

d. National Objectives

1. Slum and Blight

The home identified for demolition must meet the definition of a slum, blighted, or deteriorated structure under state or local law. This can be done by condemning the structure or identifying the structure as being in violation of Chapter 343 Texas Health and Safety Code. GLO's form 14.04 Slum & Blight for Area Basis National Objective Form must be completed and submitted to the GLO.

2. Urgent Need

The use of Urgent Need is limited, HUD has waived the certification requirements for documentation in using the urgent need national objective. Subrecipients must document in its guidelines how each program and/or activity funded under the urgent need national objective responds to a disaster related impact.

e. Amount of Assistance

The cost for demolition will include necessary environmental mitigation cost(s) not to exceed the maximum benefit. If the total costs for demolition and the environmental mitigation costs exceed the maximum benefit, the applicant or subrecipient will be required to provide the gap funding. The cost for demolition may include additional expenses related to municipal requirements and/or health or safety related conditions specific to building site or location.

f. Eligible Structures

Any residential dwelling, building, structure, or property that is unfit for human habitation or for commercial, industrial, or business use and not in compliance with applicable codes, located in or near a residential area is eligible for this program. Subrecipients will work with the GLO to define target areas for demolition.

g. Program Requirements

Demolition shall be defined as the demolition, removal, and disposal of an existing structure or structures including the foundation(s).

Demolition oversight services include up to two (2) inspections per demolition project. Demolition agreements will be three (3) party contracts between Subrecipient, the contractor, and the applicant/owner (except in cases where the property is demolished on an involuntary basis).

The demolition process includes the initial inspection, contractor selection, an inspection during the demolition, and a final inspection following demolition.

Structure shall be defined as buildings and/or partial buildings.

4. Buyouts

a. Overview

HUD has authorized the use of buyout programs to (1) Reduce the risk to homeowners from the effects of subsequent disasters; (2) Assist in the recovery of low- and moderate – income households; and (3) Protect taxpayer resources that might otherwise be needed after disaster in the same area (80 FR 72102). Buyout programs support hazard mitigation, floodplain management goals, and resiliency by removing homeowners from the floodplain, thus eliminating vulnerability to future flooding situations.

All buyout activities are a type of acquisition of real property (as permitted by section 105(a)(1) of the HCD Act). However, only acquisitions that meet the definition of a “buyout” are subject to the post-acquisition land use restrictions discussed further below. To determine whether the acquisition is a buyout activity is whether the intent of the purchase is to reduce risk from future flooding or to reduce the risk from the hazard that lead to the property’s Disaster Risk Reduction Area designation.

To conduct a buyout in a Disaster Risk Reduction Area, the Subrecipient must first establish criteria in its policies and procedures to designate the area subject to the buyout. To designate an area, Subrecipients must 1. The hazard must have been caused or exacerbated by the Presidentially declared disaster area, 2. The hazard must be a predictable environmental threat to the safety and well-being of program beneficiaries as evidenced by the best available data and science; and 3. The Disaster Risk Reduction Area must be clearly delineated so that HUD and the public may easily determine which properties are located within the designated area. Subrecipient may only redevelop an acquired property if the property is not acquired through a buyout program (i.e., the purpose of acquisition was something other than risk reduction).

Property acquired through a buyout program will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices other purposes allowed by HUD and accepted by the GLO. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than: (a) a public facility that is open at all sides and functionally related to a designated open space (e.g. a park, campground, or outdoor recreation area); (b) a rest room; or (c) a flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream, or downstream and that the local floodplain manager

approves, in writing, before the commencement of the construction of the structure. After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the Subrecipient to any Federal entity in perpetuity.

When undertaking buyout activities in order to demonstrate that the buyout meets the low- and moderate-income housing national objective, Subrecipients must meet the Housing and Community Development Act requirements and applicable regulatory criteria. Section 105 (c)(3) of the HCD Act (42 U.S.C. 5305(c)(3)) provides that any assisted activity under this chapter that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit person of low-moderate-income only to the extent such housing will upon completion be occupied by such persons.

Subrecipients may use the Low to Moderate Housing Incentive (LMHI) to resettle beneficiaries who were affected, housing incentives are usually offered to encourage households to relocate to a suitable housing development or to an area promoted by the community's comprehensive recovery plan and may be in addition to acquisition or buyout awards. A three-year affordability requirement must be executed to capture the intent of the buyout/housing incentive.

Subrecipients have the discretion to determine the appropriate valuation method, including paying either pre-disaster or post-disaster fair market value (FMV). However, Subrecipients must uniformly apply whichever valuation method it chooses.

In most cases, a Subrecipient that provides pre-disaster FMV to buyout applicants provides compensation at an amount greater than the post-disaster FMV. When the purchase price exceeds the current FMV, any CDBG-DR funds in excess of FMV are considered assistance to the seller, thus making the seller (homeowner) a beneficiary of CDBG-DR assistance. If the seller receives assistance as part of the purchase price, this may have implications for duplication of benefits calculations or for demonstrating national objective criteria. However, a program that provides post-disaster FMV to buyout applicants merely provides the actual value of the property; thus, the seller is not considered a beneficiary of CDBG-DR assistance.

Subrecipients can only redevelop an acquired property if it is not acquired through the buyout program and the purchase price must be consistent with applicable uniform cost principals and is the property's post-disaster value must be used.

HUD is waiving the section 104(d) one-for-one replacement requirement for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation.

b. Types of Programs

1. Voluntary

Applicants located in a floodway, floodplain, or areas designed as Disaster Risk Reduction Areas (DRRA) by the Subrecipient may be assisted if:

- The applicant is offered/accepts an incentive to relocate outside of the floodplain or to a low-risk area, e.g. moving costs, down payment assistance,

(incentive costs must be for a specific purpose and must be properly defined for award);

- The applicant maintained flood insurance at the time of the event and still has unmet recovery needs;
- The household earns less than the greater of 120% AMI or the national median and still has unmet recovery needs.

Transactions with no threat or use of eminent domain and meet requirements set forth in 49 CFR 24.101(b)(1) as follows:

- No specific site or property needs to be acquired, although the Subrecipient may limit its search for alternative sites to a general geographic area.
- The property to be acquired is not part of an intended, planned, or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits.
- The Subrecipient will not acquire the property, if negotiations fail to result in an amicable agreement and the owner is so informed in writing.
- The Subrecipient will inform the owner in writing of what it believes to be the market value of the property.

2. Involuntary

For agencies with eminent domain authority. This would include transactions that do not meet the applicable requirements of 49 CFR 24.101(b)(1). Uniform Relocation Act of 1970 as amended must be followed and complied with. Subrecipients will need to develop a Residential Anti-displacement and Relocation file, policies and procedures to ensure compliance with URA requirements are met.

c. Program Requirements

- Provide an estimate of Fair Market Value – An appraisal (pre-storm) and a current appraisal (post-storm) are used to establish the agency's estimate of market value in accordance with the Uniform Relocation Act (49 CFR 24.103 and 24.104).
- A Duplication of Benefit (DOB) and a National Flood Insurance (NFIP) review must be completed and documented.
- A statement of the amount offered as compensation, description and location of the real property, and a list of buildings, structures, or other improvements must be provided to the applicant. The final settlement (buyout offer) must be properly documented and assistance calculations must show how the Subrecipient determined the final offer.
- The applicant will have the right to determine the value of the property by hiring an appraiser to conduct their own assessment. If accepted the Subrecipient will update the offer and submit the offer to the owner.
- Participant must remove all personal property from the residence prior to the day of closing.
- Closing documents – Applicant must sign the agreement for sale document and a limited subrogation agreement document. If a buyout incentive is part of the final buyout offer, e.g. the family will agree to relocate outside the floodplain or to a lower

risk area, the incentive award is provided once confirmation is received (closing statement of new home) by the Subrecipient. Additionally, a Three (3) Year Promissory Note will be required to be executed at closing.

- The Subrecipient will ensure the property title is deed restricted and remains public open space in perpetuity, as necessary (buyout program) as described above.

d. Disposal of Storm Damaged Property

Once the applicant has purchased a lot or home as result of an acquisition/buyout, the applicant's storm damaged property will be demolished. The program should complete the demolition of the home within 45 days of vacancy. The cost of the demolition can be a charge to the program.

The land will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, floodplain or wetlands management practices. There are options for disposing of the property including:

- The Subrecipient can lease the property to adjacent property owners or other parties in return for a maintenance agreement;
- The Subrecipient can convert the land to green space; or
- The Subrecipient can opt to sell the acquired property at a fair market value; however, the proceeds will be classified as Program Income and must be returned to the state. Additionally, if the Subrecipient acquired the property as part of a buyout the Subrecipient will be required to place a deed restriction or covenant dedicating the property to be maintained for compatible uses in perpetuity as discussed above.

Subrecipients must send the funds to:

Attention:
Texas General Land Office
Agency Cashier
PO Box 12873
Austin, TX 78711-2873

In the accompanying check, Subrecipients will need to include the Grant Number, Contract Number, Activity Number(s), identify it as program income, and Reason for Return.

e. Eligibility Requirements

1. Buyout

To conduct a buyout in a Disaster Risk Reduction Area, the Subrecipient must establish written policies and procedures to designate the area subject to the buyout, pursuant to the following requirements as noted above.

2. Property Types

- Single family residence
- Vacant lots (inclusion of vacant lots may prove essential to meeting the objectives of the Buyout program by preventing further residential development in the designated area).

f. Additional Allowable expenditures

The following expenditure are allowable under the Buyout/Acquisition Program:

- The closing costs associated with processing the transaction;
- Recording fees, transfer taxes, documentary stamps, evidence of title, boundary surveys, legal descriptions of the real property and similar expenses incidental to convey the real property to the Subrecipient. Costs associated with perfecting the property are not allowed; and
- Penalty costs and other charges for prepayment of any preexisting recorded mortgage;
- The pro rata portion of any prepaid real property taxes which are allocable to the period after the Subrecipient obtains title to the property or effective possession of it, whichever is earlier.
- For Voluntary buyouts, relocation funding and/or down payment assistance is an allowable expense. The Subrecipient will choose the option that best benefits their community. The following items must be met to provide additional funding:
 - Purchased a lot or are using a pre-owned lot located outside of floodplain or to a lower-risk area within the Subrecipient's jurisdiction for construction of a new home (A construction date must be provided), or the applicant purchased a newly constructed or existing home located outside of floodplain or a lower-risk area in the Subrecipient's jurisdiction.
 - Purchased homes must be considered decent, safe, and sanitary.
 - The funding must be used within an established timeframe (e.g. sixty (60) days).
 - Down Payment Assistance:
 - The replacement home must be more expensive than the buyout home,
 - The amount of assistance will equal the difference between the new home purchased and the pre-flood fair market value of the buyout home; however, the amount will not exceed \$25,000.
 - Relocation funding:
 - Must Not Exceed -
\$15,000 – For a lot purchase;
\$15,000 – For purchase of a newly constructed home; and
\$10,000 – For purchase of an existing home.
 - Funding provided toward the purchased property must not be used to duplicate benefits already paid by another federal agency such as FEMA and SBA. The DOB Calculation Form will need to include payments for eligible relocation assistance.

5. Reimbursement Program

a. Overview

Applicants who have completed reconstruction, rehabilitation, elevation, and/or mitigation on a single-family home prior to the date of application for this program will be eligible for a grant of up to \$50,000. The applicant, as part of their application, must provide adequate documentation of eligible activities conducted on the home, including receipts, contracts, and/or photographs. Once the application is received, the GLO will conduct the appropriate environmental review on the home to ensure that activities up to \$50,000 were eligible expenses within the program. The GLO will not reimburse applicants for work initiated after

the submission of an application. Applicant's homes who reside in a floodway are not eligible for this program. At that time, the GLO will make all determinations for eligibility prior to distributing any funds. This program may be implemented by a subrecipient upon GLO approval.

b. Program Requirements

The program will prioritize applicants in low- to moderate-income (LMI) households first. All applicants under 120% of Average Median Income will be eligible to apply for this program; however, applicants within a floodplain at or above 120% of Average Median Income will only be eligible for reimbursement if they had a National Flood Insurance Program policy at the time of the disaster.

The applicant is required to submit the following information:

- Documentation that damages were caused by the event (e.g. photos, FEMA damage assessment report, etc.);
- Repairs must have been completed within one year of the event and prior to application date;
- Receipts for all repairs made on the home detailing what work was performed;
- Financial documentation regarding the method of payment used for the repairs/replacement; and
- Documentation that work was performed (photos, contractor work completion documentation, self-certification, and certificate of occupancy, if applicable).

c. Prioritization of Funds

The program has two requirements to prioritize applicant assistance. The first prioritization is to serve the most impacted counties and zip codes with 80% of the funds. The GLO will conduct the application process in two separate categories: (1) HUD-identified most impacted counties and zip codes and (2) those outside of the HUD-identified most impacted counties and zip codes designated as eligible in the Action Plan.

Additionally, the GLO will prioritize LMI applicants. Within each category, any application received within the first thirty (30) days that meets the LMI criteria will be considered before any non-LMI applications. If the program is not oversubscribed at that time, the GLO may begin processing non-LMI applications.

All applications will be processed based on the application submission time in the GLO database of record. If an application is incomplete or inconclusive, the GLO will contact the applicant, allowing fourteen (14) days for a response. In the instance that a complete response is not received within the allotted fourteen (14) days, the application will be withdrawn and the initial submission date will no longer be effective.

Regional Classification	Percent of Total Funding
Most Impacted Counties and Zip Codes	80%
Other Presidentially Declared Counties	20%

d. Eligible Activities

For the purposes of this program, all costs associated with reconstruction, rehabilitation, elevation, and/or mitigation must be adequately documented, and the GLO will not reimburse applicants for work completed after the submission of an application.

All eligible work must be considered necessary and reasonable by the GLO. If applicable, adherence to MPS may be required at the discretion of the Subrecipient. Only work performed within the existing footprint of the damaged structure, sidewalk, driveway or other developed areas will be eligible for reimbursement. Proof of event damage can be documented as follows:

- FEMA, SBA or Insurance award letters;
- Photographs;
- In the event that the above-referenced documentation is not available, an inspection report/damage assessment (complete with photos of the damage and a written assessment of the damage by each photo take) conducted by a certified or licensed inspector (MPS, TREC, or similar license) must be supplied by the Subrecipient that certifies the damage occurred as a result of the event. Refer to the GLO’s Damage Assessment Guidelines; or
- In the event that FEMA, SBA, or Insurance award letters are not available and an inspection report is inconclusive as to the cause of the damage, the Subrecipient may provide alternative evidence, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations, GLO approval is required.

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

The following will list examples of eligible and ineligible expenditures, but it is not limited to:

Eligible Expenditures Include:	Examples of costs that are not Eligible:
Essential appliances (e.g. refrigerator, stove/oven, dishwasher)	Food, clothing, household goods
Permits and inspection fees	Fences or sheds
Removal of construction debris	Day labor paid by cash with no receipt
Utilities (plumbing, electrical and gas systems)	Tools
Structural repairs	Flatbed trailers
Heating, venting, and air conditioning systems	Mortgage payments
Septic or sewer system repair	Insurance premiums
Well or water system repair	Temporary housing (only offsets FEMA funds)
Entrance and exit	

e. Program requirements

All applicants receiving assistance through the reimbursement program must sign an Unsecured Forgivable Promissory Note (Form 13.09). The Note will expire one year after the execution of the agreement. The homeowner will be required to maintain ownership of the property during the Note's duration. If the property is sold the balance left on the Note will be returned to the GLO.

H. Program Requirements (Not including Demolition and Reimbursement Activities)

Unsecured Forgivable Promissory Note

- Single Family Homeowner assistance shall be provided in the form of an Unsecured Forgivable Promissory Note (Note). The Note (Form 13.09) may be found on the GLO's www.texasrebuilds.org website.
- The Subrecipient will be required to execute the Note with assisted homeowners for all homeowner activities under the CDBG-DR Program. The GLO will not be a party in the Note's execution. The Note may be required to be recorded in the County Courthouse records for Affordability Monitoring by the Subrecipient. The Note will require the homeowner to comply with the following items:
 1. Assisted homeowners are required to maintain principal residency in the assisted property for three (3) years. Cash out refinancing, home equity loans, or any loans utilizing the assisted residence as collateral are not allowed for three years. A violation of this policy will activate the repayment terms of the Note.
 2. Taxes are to be paid and in good standing for the properties assisted. Homeowners may be on a payment plan, but it needs to be submitted to the Subrecipient.
 3. Insurance must be maintained at the assisted property. Hazard, flood (if applicable), and windstorm (if applicable) will be monitored for the three-year period.
 4. Transfer notice of requirement to obtain and maintain flood insurance for property. Failure to do so the homeowner may be liable. Evidence of this requirement must be maintained in disclosure documents by the homeowner.

The Subrecipient is required to monitor assisted households for compliance with the terms of the Note. Homeowners who default on the terms of the Note will repay any funds remaining on the note and may be reported to credit bureaus and the Texas Office of the Attorney General.

- If the assisted homeowner continues to occupy the home until the term of the note expires, the loan is forgiven and conditions are clear on the disposition of the property. If the property is sold, transferred, or vacated by the assisted homeowner for any single period that exceeds thirty (30) days during the three-year forgivable loan period, the repayment terms of the Note will be enforced, except in those cases addressed below.
 1. Migrant farm workers who are recipients of a home under this program, may, when proven to be performing work for not more than six months, leave a home vacant during the time of their employment; however, the recipient may not rent out the home), and they must intend to return to the home. If the assisted homeowner for any reason ceases to reside in the assisted unit during the Subrecipient's CDBG-DR contract period, only LMI persons may reoccupy the unit until the contract is administratively closed by the GLO or the CDBG-DR contract period expires, whichever is earlier.

2. Accelerated Forgiveness in Certain Cases – In the event of (1) the death, (2) relocation to a managed care facility, or (3) relocation resulting from documented mental or physical incapacitation of the sole remaining assisted homeowner identified in the original application, the Subrecipient may forgive any remaining loan balance. However, the requirement that only LMI persons may occupy the assisted housing unit until the CDBG-DR contract is closed by the GLO or the contract period expires shall not be waived by the Subrecipient. Any waiver of this policy must be given by the GLO.

I. Files and Reports

The Subrecipient will maintain accurate Single-Family Homeowner Program files and records for general administration activities, for each applicant, and for each assisted homeowner as required by the GLO. Such files will be open for inspection as to qualifications, bids, and awards. Record keeping procedures must be developed for monitoring/audit by the GLO.

5. MULTI FAMILY RENTAL

The Affordable Multifamily Rental Program has been designed to provide funds to replace multifamily and single family rental housing projects in areas impacted by an event. Funding is available through the Community Development Block Grant (CDBG-DR) Disaster Recovery Program, administered by the GLO.

The purpose of the Affordable Multifamily Rental Program is to facilitate the rehabilitation, reconstruction, and/or new construction of affordable rental housing needs within the impact area. Subrecipients may use CDBG-DR funds to rehabilitate units not damaged by the disaster if the activity clearly addresses a disaster related impact and is located in a disaster-affected area. The impact can be demonstrated by the disaster's overall effect on the quality, quantity, and affordability of housing stock and resulting inability of that stock to meet post disaster needs and population demands.

Units qualifying for assistance must have sustained damage from the event and at a minimum, 51% of the units must be restricted for the entire affordability period for low- to moderate-income (LMI) individuals earning 80% or less of the Area Median Family Income (AMFI) at affordable rents. The rents must comply with High HOME Investment Partnership (HOME) Rents and other existing Land Use Restriction Agreement (LURA) restrictions if applicable. HOME rent limits are defined by HUD and must equal the lesser of fair market rents or 30% of the adjusted income for people earning 65% of the AMFI. A minimum of twenty (20) years LURA will be required to ensure that rental housing remains affordable for the required period of time.

Types and Amounts of Assistance

1. The maximum award cap under the Affordable Multifamily Rental Program is outlined in the GLO's approved action plan or RFP for each applicable event. Exact awards will depend upon the amount of storm damage, the cost reasonableness of funds to bring the property up to Minimum Property Standards (MPS), and other funding sources available. Eligible costs include hard costs for construction and soft costs associated with repair or construction of rental units plus other costs permissible under 24 CFR 570.
2. The CDBG-DR funds may not be used to pay for damages covered by any FEMA reimbursement, SBA assistance, insurance claim, or any insurance policy including delayed or future payments anticipated. A Duplication of Benefit (DOB) review must be completed for each project to determine unmet needs prior to award.

3. The CDBG-DR Affordable Rental Program funds will be in the form of a 0% interest performance-based loan or grant which will be forgiven when all contractual obligations have been met, including satisfactory completion of construction and compliance with the affordability period. The terms of the loan/grant may be modified by agreement, if necessary, given other requirements from other financial programs (e.g. tax credit programs, etc.).
4. As determined by the FR, a 20 year Land Use Restriction Agreement (LURA) will be placed on developments and any applicable lenders must agree to subordinate to the LURA. The Applicant will guarantee completion of construction until a certificate of occupancy has been issued and retainage has been released.
5. Project construction must be completed within 24 months of the effective date of the contract, unless otherwise extended.

A. Property Eligibility

1. All properties eligible for rehabilitation and reconstruction must be located within the jurisdiction of the Subrecipient and sustained damage from the event.
2. Any Subrecipient or, in the case of a state administered program, the GLO, that intends to offer an Affordable Multifamily Rental Program must develop a NOFA and an application process to fund the rehabilitation of existing multifamily housing developments or the replacement of damaged units through reconstruction or new construction. Projects submitted for awards are evaluated according to the priorities established in the NOFA and application process developed by the GLO or the Subrecipient. The NOFA or application process must comply with the Selection Criteria requirements identified in "Selection Criteria", Section (5)(C), of this document. Housing Authority Subrecipients are not required to publish a NOFA, as proposed projects must comply with all Public Housing Guidelines including Fair Housing and must be approved by HUD prior to funding.
3. Proposed new construction located in the 100-year flood plain, as identified on the most current Federal Emergency Management Agency (FEMA) Flood Maps, must comply with 24 CFR Part 55.
4. At a minimum, 51% of the total number of units in the development must benefit low-moderate income persons earning 80% or less of Area Median Income as defined by HUD and detailed in the Housing and Community Development Act of 1974 (HCDA) Title I, 105(a).
5. Rent restricted units occupied by low-moderate income households must be occupied as affordable rents. The units occupied by low-moderate income households must comply with the High HOME rent limits published by GLO under the HOME program. Rent restrictions for the units occupied by LMI households apply through the entire affordability period. Compliance with rent limits is calculated in the same manner as the HOME program.
6. All units to be occupied by LMI households must have similar finishes and access to the same amenities as any market rate (Non-LMI) units.
7. Any documentation deemed required by the GLO to conclusively determine the resolution of pending investigations by the Department of Labor or other Federal Entity.

B. Participant Eligibility Requirements

1. For-profit, public housing authorities, units of local governments, and not-for-profit Developers/ Borrowers acting individually or as participants in a limited partnership [LP] or limited liability corporation [LLC] are eligible to apply. Not-for-profit entities must provide evidence of IRS tax-exempt status. Developments are required to list properties on the local PHA landlord list and provide notification to DHAP providers.
2. The Applicant, Development Owner, Principal, or Developer/Borrower must be in good standing with any outstanding loans and loan commitments. There may be no defaults or negative collection actions on current or previous loans.
3. No Applicant, Developer Owner, Principal or Development/Borrower or General Contractor may be “debarred” from the federal and state debarment lists in accordance with 24 CFR §570.609 as well as other applicable laws.
4. The Applicant, Developer Owner, Principal or Developer/Borrower must provide a complete listing with addresses of multifamily properties currently owned or managed.

C. Selection Criteria

1. Any Subrecipient or the GLO in the case of a state administered program offering an Affordable Multifamily Rental Program must develop a NOFA and an application process. The NOFA and application process should identify the properties that provide the greatest benefit to the community as well as those with the greatest need. The Subrecipient will develop criteria to award funds to the projects meeting the housing goals and objectives of the program, fair housing criteria and the needs of the community. All awards must be made to applicants that demonstrate capacity to complete the development planned in the application. The selection criteria utilized must be consistent with overcoming the impediments identified in an approved Analysis of Impediments (AI) or comparable document. The NOFA or application must meet the following criteria:
 - Direct funds to the needs of the community as determined by the Needs Assessment; and
 - Use of the funds must affirmatively further fair housing and increase housing choice.
2. A Land Use Restriction Agreement (LURA) will be placed on each multifamily development receiving disaster funds to repair, construct, or reconstruct rental units. The LURA sets forth income and rent restrictions applicable to units of affordable rental housing. This document will be filed with the local county clerk’s office in the land records. The LURA must be approved by GLO and the requirements imposed by the LURA will remain with the property for the full term of the affordability period. In addition to the requirements listed above, all multifamily projects must accept Section 8 Housing Choice Rental Vouchers during the affordability period and based on the Needs Assessment, criteria should be developed by the Subrecipient to identify projects providing the greatest benefit to the community and provide incentives for:
 - a. Increasing the number of affordable units by exceeding the requirement to lease 51% of the units to low/moderate income households.
 - b. Providing units to households with the highest need for affordable housing by agreeing to create set asides targeting very low, low, and moderate-income tenants.
 - c. Providing broader access to persons with disabilities.

D. Program Requirements

1. Projects awarded CDBG-DR funds must satisfy the six eligibility requirements identified in “Property Eligibility,” Section (5)(A), of this document.
2. The project will also be reviewed in terms of financial feasibility with the objective to repair existing damage caused by the event and bring the property up to a standard that will extend the useful life of the development. Financials, proformas, and loan information as well as the sources and uses of funds must be submitted identifying the proposed financing sources and expenses of the project.
3. Upon allocation for funding, the property will go through environmental review.
4. For rehabilitation or construction activities, the Applicant must submit an acceptable Property Condition Assessment (PCA) conducted by a qualified third-party inspector. In addition to repair costs identified in the PCA, other costs will be considered if they extend the useful life of the project. The project costs must be reasonable and typical in the current marketplace for projects of similar scope. Plans and specifications must be submitted for replacement units.
5. The project must comply with all applicable federal and state requirements.
6. The project must address identified impediments to fair housing choice.
7. The project must serve the local population impacted by the event.

E. Underwriting

1. The proposed multifamily projects will go through underwriting, which will review the ownership structure, property operations, the sources and uses of funds, and the financial statements of the owner and guarantor (if applicable).
2. The underlying debt and operating expenses of the property will be reviewed to determine if the project is feasible during the affordability period and demonstrates income adequate to cover operating expenses and applicable debt service.
3. Sources and uses will be reviewed to determine the adequacy of the funding to complete the project in conjunction with the Property Condition Assessment (PCA). The scope of work for the repair of any damage caused by the event will also be assessed for adequacy of funding.
4. Following underwriting, a contract will be executed between the Applicant and the Subrecipient. This contract will specify the terms under which the funding is provided to the project, the number of units to be renovated/developed, the affordability period, and other conditions of the agreement.

F. Construction

1. Housing that is constructed or rehabilitated with CDBG-DR funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. When CDBG-DR funds are used for a rehabilitation development, the entire unit must be brought up to the applicable property standards and meet Minimum Housing Standards. The GLO will conduct a final inspection of the development. Common areas and

units are subject to a Uniform Physical Conditions Standards inspection. Any deficiencies identified in that inspection must be corrected before final retainage is released.

2. Housing developments must meet all accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794). Multifamily housing developments must meet all accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794). Multifamily housing developments must meet the design and construction requirements at the Texas Administrative Code, Title 10, Chapter 60, Subchapter (B) (10 TAC § 60.201-211). Covered multifamily dwellings, as defined at 24 CFR §100.201, as well as common use facilities in developments covered cover dwelling must meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C.3601-4619), and the ADA 2010 Standards with HUD exceptions.
3. New Housing Construction must include compliance with ONE of the following Green Standards:
 - a. ENERGY STAR (Certified Homes or Multifamily High-Rise);
 - b. Enterprise Green Communities;
 - c. LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development); or
 - d. ICC–700 National Green Building Standard.
4. A certificate of compliance issued as part of the chosen standard’s compliance process will be required to be submitted as proof of compliance. Homes and multifamily homes in high wind and hurricane areas must also be built in compliance with FORTIFIED Home© standards. These standards also apply to rehabilitation projects that fall within the HUD definition of substantial rehabilitation. The Developer/Borrower must comply with Labor Standards, Section 3 Plan, Minority/Business Enterprise (MBE), Small Business Enterprise (SBE) requirements, Affirmative Marketing, and Contractor Clearance.
5. The project costs must be “reasonable and customary” as determined by an acceptable, independent third-party report or considered reasonable as documented by a bidding process.
6. All contracts will be payment and performance bonded. Bonding companies utilized must be listed in the Department of the Treasury’s Certified Listing of Companies (https://www.fiscal.treasury.gov/fsreports/ref/suretyBnd/c570_a-z.htm) All projects are subject to The Davis-Bacon Wage Act (40 USC 276a-276-a5, 24 CFR Part 70), The Contract Work Hours and Safety Standards Act (40 USC 327 et seq.), The Copeland “Anti-Kickback” Act (18 USC Sec 874), Section 3 (24 CFR Part 135) requirements, reporting, and goals and be should budgeted accordingly.
7. Prior to commencement of construction, the Developer/Borrower must have a notice to proceed. Scattered site projects owned by a sole owner with 8 or more units must comply with the Davis-Bacon Wage Act (40 USC 276a-276-a5, 24 CFR Part 70).
8. The American Institute of Architects (AIA) forms 702 and 703 will be required prior to funding each draw request.
9. Each contract with the Developer/Borrower will include ten percent (10%) of the funds to be held as retainage until satisfactory completion of the project.
10. Any new construction or substantial rehabilitation, as defined by 24 CFR 5.100, of a building with more than four rental units must include installation of broadband infrastructure, as this

term is also defined in 24CFR 5.100, except where the grantee documents that: (i) the location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible; (ii) the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or (iii) the structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible. For the purposes of this program broadband service can either be hardwired or wireless but it must be provided at 25 mbps down and 3 mbps up.

G. Labor Standards

1. All multifamily developments, including scattered sites, containing 8 or more units under common ownership must comply with applicable labor standards including, but not limited to, Davis-Bacon labor wage rates. Under the federal Davis-Bacon Wage Act, prevailing wages must be paid on all construction and related work projects.
2. The following information will be provided on all projects to the GLO Labor Standards Specialist:
 - a. Notes of bid and preconstruction conferences as well as attendance rosters with attendee's signatures;
 - b. Notice to Proceed;
 - c. All Department of Labor (DOL) General Wage Determination reports showing prevailing wages applicable to each project throughout the construction phase;
 - d. Final Wage Compliance Report; and
 - e. Davis-Bacon communications, including:
 - Department of Labor communications;
 - Letters to Contractor(s) requesting payments of restitution owed to workers and liquidated damages, including copies of letters confirming Contractor(s) compliance and / or resolution of labor-related issues. Department of Labor (DOL) Semi-Annual Report with all required reporting data associated with the CDBG-DR event award; and
 - Additional documentation as required by GLO.

H. Relocation

1. The applicant is responsible for the relocation activities related to the project, as applicable. The applicant shall comply with program regulations of the Uniform Relocation Assistance and Real Property Policies Act of 1970 ("URA"), as amended (49 CFR §24), and §104(d) of the Housing and Community Development Act of 1974, as amended (24 CFR §42).
2. If applicable, the applicant shall submit to the Subrecipient copies of all documentation relating to URA, including but not limited to, a Relocation Plan with Assurance Letter, Notice to Real Property, Tenant Status Reports, and all Notices with Tenant Acknowledgments as required by the LURA.

I. Project Completion and release of retainage procedures

- a. When a project is completed, the information listed below must be submitted to allow for retainage (the last 10% of project costs) to be reimbursed. The items include:
 1. A Final Draw for Retainage (identical in form to the others and includes the final inspection report from the third-party inspector indicating that the project is complete);
 2. A Final Wage Compliance Report;
 3. A Certificate of Occupancy for project (for new construction);
 4. A letter from the Architect certifying that the project meets requirements of the Americans with Disabilities Act;
 5. A Certificate of Substantial Completion and AIA form that is signed by the Owner, General Contractor, and Architect (for rehabilitation and reconstruction developments);
 6. A Lien Release from General Contractor to show that all subcontractors have been paid; and any documentation.
- b. Project Lease Up Procedures

Multifamily developments assisted with CDBG-DR funds are required to have a Project Tenant Selection Policy (TSP), Affirmative Marketing Plan, and a schedule of leases & rents to ensure compliance with CDBG-DR requirements. The TSP must be:

1. Written and displayed at the project leasing in a common area;
2. Consistent with the purpose of providing housing for families making 80% or less of AMFI;
3. Reasonably related to program eligibility and tenant's ability to perform under the lease.
4. Chronological, so that tenants taken from a written waiting list are assisted in order; and
5. Designed to give prompt written notice of the grounds for rejection to any Lessee rejected based on income.

J. Annual Monitoring Procedures

Completed projects require annual monitoring. Monitoring will be conducted by the Subrecipient or the GLO in the case of a state administered program throughout the affordability period. The results and reviews of monitoring activities ensure the provision of safe, decent, affordable rental housing that is in compliance with all applicable regulations. The monitoring review also ensures that the project has achieved the National Objective of leasing at least 51% of the units to low- to moderate-income (LMI) residents. Income targets and rents must comply with Affordable Rental Program LURA requirements and other compliance requirements.

K. Files and Reports

The Subrecipient will maintain accurate Multifamily Rental Program files and records for general administration activities for each development and tenant for the length of the affordability period as required by the GLO. Such files will be open for inspection to GLO or any of its duly authorized representatives, or funding source representatives. Record keeping procedures must be developed for monitoring/audit by the GLO.

L. Changes, Waivers, and/or Conflicts

A Subrecipient may not change, modify, waive, or revoke all or any part of these guidelines, without the written approval of the GLO.

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6. SINGLE FAMILY RENTAL PROGRAM

A Single Family Rental Program's goal is to restore existing neighborhoods and to increase the affordable rental stock in a community affected by the storm event. Applicants receiving CDBG-DR Disaster Recovery funds to rehabilitate or reconstruct damaged properties agree to lease the rental units to low- to moderate-income (LMI) households (80% of Area Median Income or less) at restricted rents. Subrecipients may use CDBG-DR funds to rehabilitate units not damaged by the disaster if the activity clearly addresses a disaster related impact and is located in a disaster-affected area. The impact can be demonstrated by the disaster's overall effect on the quality, quantity, and affordability of housing stock and resulting inability of that stock to meet post disaster needs and population demands.

Rents must comply with the High HOME rent limits.

The CDBG-DR funds are provided in the form of a forgivable loan/grant.

A. Types and Amount of Assistance

1. The Subrecipient will develop a process to accept applications for funding to serve low-, very low-, extremely low-, and moderate-income households. Funding priorities will be developed in a manner that affirmatively furthers fair housing objectives.
2. The maximum award cap under the Single Family Rental Program is based on the number of bedrooms in the rental unit. To arrive at the maximum cap for a particular property, multiply the bedroom maximum by the number of bedrooms. For properties that have more than 3 bedrooms, multiply the 3-bedroom cap times the number of bedrooms. The exact award will depend upon the amount of storm damage, the cost of rehabilitation or reconstruction up to maximum award amount. When a rental unit is assisted with disaster recovery funds, the entire unit must be brought up to Minimum Property Standards (MPS). Eligible costs include hard costs for construction and soft costs associated with repair or construction of rental units, plus other costs permissible under 24 CFR 570.
3. Maximum Awards –

	One Bedroom	Two Bedrooms	Three Bedrooms (or more)
Max Award per Bedroom	\$50,000	\$60,000	\$70,000

B. Property Eligibility

1. All properties eligible for rehabilitation and reconstruction must be located within the jurisdiction of the Subrecipient and sustained damage from event.
2. Properties may be rehabilitated or replaced by reconstruction or new construction of the dwelling.
3. Single family, detached dwellings are eligible for assistance and must contain between one and three bedrooms at a minimum, priority is given to properties with three or more bedrooms. Condominiums, townhomes, duplexes, triplexes, or four-plexes are not eligible.
4. Any Subrecipient that intends to offer an Affordable Single Family Rental Program must develop an application process to fund rehabilitation of existing multifamily housing developments or replacement of damaged units through reconstruction or new construction.

Projects evaluated for awards are evaluated according to the priorities established in the application.

5. Upon completion, the single family homes must meet Minimum Housing Standards and benefit low- to moderate-income persons earning 80% or less of Area Median Income as defined by HUD and detailed in the Housing and Community Development Act of 1974 (HCDA) Title I, 105(a).
6. The rent for the units occupied by low- to moderate-income households must be occupied at affordable rents. The units occupied low-moderate income households must comply with the High HOME rent limits published by GLO under the HOME program through the affordability period. Compliance with rent limits is calculated in the same manner as the HOME program.
7. Units do not have to be rental stock prior to application for assistance; however, they must be rented to certified LMI households if awarded repair or replacement funds.
8. Housing units located where federal assistance is not permitted like floodways, the Coastal Barriers Resource Act, or within runway clear zones of either a civil or military airport are not eligible.
9. Each property must currently have access to water, electricity, and sewer or septic service, or hookups to provide those services.
10. The on-going maintenance of hazard and flood insurance is a program requirement where applicable.

C. Participant Eligibility requirements

1. Individual owners with fee simple title to the property are eligible to participate.
2. The owner must be in good standing with any loans on the property nor in default or negative collection actions on any current or previous loans.
3. The property taxes must be current on the property.
4. The owner of the property must not be “debarred” from the federal and state debarment lists, in accordance with 24 CFR §570.609, as well as other applicable laws.
5. The owner must provide a complete listing with addresses of other rental properties currently owned or managed.
6. All applicants must not owe any child support payment(s) under any court order.

D. Selection Criteria

1. Any Subrecipient that intends to offer a Single Family Rental Program must develop an application process. The application process should identify the properties that provide the greatest benefit to the community with the greatest need. Applications will be developed with criteria to allow the Subrecipient to determine which projects meet the housing goals and objectives of the community as well as affirmatively further fair housing objectives.
2. Criteria developed by the Subrecipient to identify projects providing the greatest benefit to:
 - a. Expand the affordable housing stock, priority is given to vacant units in a condition that is not suitable for occupancy.
 - b. Encourage a vested interest in the projects, priority is given to projects where the landlord contributes at least 25% of the funds necessary to repair the property.

- c. Encourage housing for families, priority is given to projects with three bedrooms or more.
- d. Projects near public transportation, shopping and schools are considered in the point structure. (“Near” is defined as within a 2 mile radius.)
- e. Single family rental structures must comply with the GLO’s Visitability Standards.

E. Program Requirements

Housing assistance funds must satisfy four levels of eligibility requirements:

1. The property must meet eligibility requirements listed above in Section B. The property must require repair, rehabilitation, or reconstruction, and the owner must provide documentation or third-party inspections to support storm damage.
2. The property must pass a federally required environmental review.
3. For Rehabilitation or construction activities, a Property Condition Assessment must be conducted by a qualified third party inspector. The work write-up must be completed in sufficient detail to obtain bids or cost estimates. Rehabilitation of the residence must bring the property into compliance with local health, safety, and building codes and pass an MPS inspection. The project costs must be reasonable and typical in the current marketplace for projects of similar scope. Plans and specifications must be submitted for replacement units.
4. The project must comply with all applicable federal and state requirements.

F. Underwriting

The Subrecipient will determine the type of feasibility or underwriting process required for single family projects. (For additional information about other underwriting requirements please see Section E of the Multifamily Rental Program Guidance.)

G. Construction

For rehabilitation, the properties must comply with local building codes, and the entire structure must comply with local health and safety codes and standards, and Minimum Property Standards (MPS), as well as the Federal Housing Administration (FHA) Design Manual when applicable. Rehabilitation must follow the guidelines specified in the HUD CPD Green Building Retrofit Checklist, available at <https://www.hudexchange.info/resource/3684/guidance-on-the-cpd-green-building-checklist/>. Grantees must apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall. When older or obsolete products are replaced as part of the rehabilitation work, rehabilitation is required to use ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)- designated products and appliances. For example, if the furnace, air conditioner, windows, and appliances are replaced, the replacements must be ENERGY STAR-labeled or FEMP-designated products; WaterSense-labeled products (e.g. faucets, toilets, showerheads) must be used when water products are replaced.

- For reconstruction including newly constructed homes, the entire structure must be in compliance with building codes and, zoning ordinances and applicable construction or livability standards after assistance including:
 1. New Housing Construction must include compliance with ONE of the following Green Standards:
 - a. ENERGY STAR (Certified Homes or Multifamily High-Rise);
 - b. Enterprise Green Communities;
 - c. LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development); or
 - d. ICC–700 National Green Building Standard.

A certificate of compliance, issued as part of the chosen standard’s compliance process, will be required to be submitted as proof of compliance. Homes and multifamily homes in high wind and hurricane areas must also be built in compliance with FORTIFIED Home© standards. These standards also apply to rehabilitation projects that fall within the HUD definition of substantial rehabilitation.

2. Non substantial rehabilitation projects must comply with the HUD CPD Green Building Retrofit Checklist available at <https://www.hudexchange.info/resource/3684/guidance-on-the-cpd-green-building-checklist/>. Subrecipients must apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall. When older or obsolete products are replaced as part of the rehabilitation work, rehabilitation is required to use ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)- designated products and appliances.

1. International Residential Code 2012 or higher (IRC) (with windstorm provisions) and International Building Code (IBC) must also be met where they apply.
 2. All applicable accessibility standards including, but not limited to, the FHA Design Manual and the ADA 2010 Standards with HUD exceptions.
- The project costs must be “reasonable and customary” as determined by an acceptable, independent third party report or considered reasonable as documented by a bidding process.
 - Under the Rehabilitation Program, any housing unit built before 1978 must be inspected for hazards associated with the presence of lead-based paint or may be presumed to have lead-based paint hazards. Proof of notifications, work completed, and clearance examination must be available. All work must be performed by appropriately licensed/certified professionals.
 - Under the Rehabilitation Program, any housing unit must be in compliance with Section 31 of the Federal Fire Prevention Control Act of 1974, which requires that any housing unit rehabilitated with Department funds be protected by a hard-wired or battery-operated smoke detector.
 - Reconstruction or new construction must comply with GLO’s Visitability Standards.
 - Each contract with the Developer/Borrower will include ten percent (10%) of the funds to be held as retainage until satisfactory completion of the project.

H. Compliance

In exchange for the loan award, each applicant agrees to comply with all Land Use Restrictions Agreement (LURA) with a minimum affordability period of twenty (20) years terms and requirements.

I. Land Use Restrictions

As determined by the FR, a Land Use Restriction Agreement (LURA) will be placed on each single family rental property receiving disaster funds to repair, construct, or reconstruct rental units. The LURA must be approved by the GLO and must contain an affordability period beginning after closeout of loan or grant and extend to the end of the affordability period as established in the federal register of the event. All rental homes must require acceptance of Section 8 housing choice rental vouchers.

The Land Use Restriction Agreement (LURA) is an officially-filed restriction that ensures the property will remain rent restricted for the full affordability period. At the end of the affordability period, the restriction will automatically terminate and will no longer be valid or enforceable. Since the LURA is “self-executing”, nothing will need to be filed at the local county clerk’s office to show that the affordability period has ended. If the applicant abides by the terms and conditions of the LURA for the full term of the affordability period, the grant will be forgiven and no interest will be charged provided the landlord complies with the LURA requirements.

J. Files and Reports

The Subrecipient will maintain accurate Single Family Rental Program files and records for general administration activities, for each development and tenant for the length of the affordability period, as required by the GLO. Such files will be open for inspection to GLO or any of its duly authorized representatives or funding source representatives. Record keeping procedures must be developed for monitoring/audit by the GLO.

K. Forgivable Loan Default

1. Disaster assistance is provided as an unsecured note to landlords receiving rehabilitation or reconstruction assistance.
2. Violation of any terms of the LURA will result in a Statement of Noncompliance being issued to the applicant. The notice will clearly state the reasons for noncompliance and will allow the applicant time to correct the noncompliance.
3. If the applicant is in default, the amount of loan principal then outstanding (based upon the amount previously forgiven during the affordability period) shall immediately become due and payable.
4. Upon default the forgivable loan will immediately convert to an interest-bearing demand note and will become immediately due and payable.
5. The due and payable amount will be based upon the unforgiven amount of the loan.
6. Default occurs at the property level. If the unit is found to be non-compliant with the LURA, then the entire property will be considered in default.
7. Interest on defaulted loan awards will be set at the 3-month London Interbank Offered Rate (LIBOR) plus one percent (1%). The interest and the interest rate will be calculated beginning on the date that the Notice of Default is issued by the GLO or Subrecipient.

L. Relocation

1. The applicant is responsible for the relocation activities related to the project. The applicant shall comply with program regulations of the Uniform Relocation Assistance and Real Property Policies Act of 1970 (“URA”), as amended, and §104(d) of the Housing and Community Development Act of 1974, as amended.
2. If applicable, the applicant shall submit to the Subrecipient copies of all documentation relating to URA, including but not limited to, a Relocation Plan with Assurance Letter, Notice to Real Property, Tenant Status Reports, and all Notices with Tenant Acknowledgments as required by the URA.
3. As determined by the FR, Section 414 of the Stafford Act, the law that defines most federal disaster response and recovery programs, requires disaster displaced tenants from rental properties be provided Uniform Relocation Assistance (URA) if federal funds are being used to rebuild, acquire, or demolish a housing unit. This Federal Register limits the Section 414 provision to one year from the date of the disaster for tenants and indicates there is no requirement for the sub-grantee to comply with Section 414 after the one-year anniversary. HUD waived the provision to lighten the administrative burden that is required to continue to locate displaced tenant’s years after the disaster. Regular Uniform URA requirements still apply for tenants present in the unit at the time a CDBG-DR assisted activity is implemented. The displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months. (49 CFR 24.402(b))
4. As determined by the FR, HUD has waived the Tenant-based rental assistance requirements (sections 204 and 205 of URA) to the extent necessary to permit a grantee to meet all or a portion of a grantee’s replacement housing financial assistance obligation to a displaced tenant by offering rental housing through a tenant-based rental assistance (TBRA) housing program subsidy (e.g. Section 8 rental voucher or certificate), provided that the tenant is provided referrals to comparable replacement dwellings in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months. Subrecipients must establish and offer the person a “moving expense and dislocation allowance” under a schedule of allowances that is reasonable for the jurisdiction and that takes into account the number of rooms in the displacement dwelling, whether the person owns and must move the furniture, and at a minimum, the kinds of expenses described in 49 CFR 24.301.

M. Landlord Requirements

1. These requirements include:
 - a. Leasing all units to tenants who have eligible household incomes (80% AMI or below).
 - b. Charging rents that are at or below High HOME rents.
 - c. Following income certification and verification procedures and keeping records on all tenants’ income.
 - d. Maintaining complete and accurate rent rolls.
 - e. Renting units in accordance with HUD Fair Housing Standards.

2. The applicant is responsible for maintaining complete and accurate records for the full period of the loan term. These records must fully and completely support the satisfactory completion of all compliance items. These records must be provided to the Subrecipient or GLO upon request.

Compliance with these terms for the full period of the loan will result in loan forgiveness, leaving the applicant with no obligation to repay the loan or interest on it. Failure to comply with terms will lead to non-compliance.

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The GLO will be developing a reference page to append to this document in the coming weeks. Any references contained in these Housing Guidelines may be updated or changed without notice, to reflect the most up to date information available.

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