Harvey Single Family Development

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HSFD Program Administration

The Harvey Single Family Development Program (HSFD) is intended to assist eligible City of Houston (City) applicants whose residences were directly impacted by Hurricane Harvey. The Department of Housing and Urban Development (HUD) appropriated $5,024,251,000 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funding to the Texas General Land Office (GLO). Of this $5 billion allocation, the City of Houston (City) has received a direct allocation from the GLO of $1,175,954,338 for development and implementation of programs that directly benefit the residents of the City of Houston. HUD outlined the allocations and applicable waivers and alternative requirements in Federal Register Notices published on February 9, 2018 (83 FR 5844). Subsequent publications of waivers and alternative requirements can be found in the table below under Applicable Laws & Regulations.

The City’s Housing and Community Development Department’s (HCDD) goal and objective is to provide housing programs that will preserve and expand the housing stock while creating sanitary, safe, energy efficient housing, and a resilient community. HCDD’s objective includes assisting LMI homebuyers and LMI individuals that have participated in the Harvey Acquisition or Buyout programs. The City of Houston also places an emphasis on housing choices and designs that reduce maintenance and insurance costs as well as provide independent living options. The focus of the program is to fulfill an unmet housing need for extremely low-, low- and moderate-income applicants.

The City of Houston will administer its Single Family Development Program in accordance with these Harvey Single Family Development Guidelines, City of Houston Harvey Standard Operating Procedures, and HUD CDBG-DR regulatory requirements and guidance. The City of Houston reserves the right to adjust program priorities and re-allocate program funds and program components if in doing so would better serve the affected communities and their residents.

The City of Houston reserves the sole discretion of interpreting and applying these Harvey Single Family Guidelines, except for those items where GLO or HUD has indicated that their prior approval is required for implementation. HCDD will utilize administrative procedures to implement the programs and modify them to meet any changes made to such rules and regulations of the oversight entities, which may occur over time. At all times, should any conflict in these procedures exist with the applicable funding resource, the requirements of the funding source shall take precedence, other than “local preferences” that are allowable under federal regulations.

Daily administration of the programs will be under the direct supervision of the Director of HCDD, or his designee. Intake Specialists will be responsible for accepting applications during the intake process through the HCDD Outreach and Intake contractor. Further processes, such as eligibility; duplication of benefits review; inspection and environmental protocols; award determination; builder assignment; construction; and completion, will be administered and implemented by the Master Program Manager and selected Construction Managers. The HCDD Finance Division will authorize payments to contractors after review and validation of submitted invoice packages by HCDD and the Master Program Manager.
Harvey Single Family Development

CDBG-DR National Objectives

In support of the U.S. Department of Housing and Urban Development’s (HUD) recovery objectives, the City of Houston has specifically designed its storm recovery programs to help impacted residents and communities recover from damage inflicted by Hurricane Harvey. As expressed in the Federal Housing and Community Development Act, the primary objective of the general Community Development Block Grant (CDBG) program is “the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income (LMI).” Community Development Block Grant – Disaster Recovery funding appropriated in response to disasters must meet the general goals of the CDBG program.

All CDBG-DR funded activities through the City of Houston HSFD must meet the following National Objective:

- Benefiting Low- and Moderate-Income Persons (LMI) (80% of Area Median Income)

Applicable Laws & Regulations

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

HSFD Overview

The Single-Family Development Program will make available new affordable single-family homes for renters and homeowners with annual household income at or below 80% of the Area Median Income (AMI). HCDD will work with City-procured builders, for-profit and non-profit contractors and organization to implement the program. Lots for new construction will be identified and obtained from a variety of sources, including the Houston Land Bank, HCDD’s Homeowner Assistance Program, and other organizations that have existing land available. If needed, the City may use the funds to purchase vacant lots suitable for new construction.

This program will give opportunity to Harvey-impacted residents to move out of areas within the floodplain or areas that are prone to repetitive flooding. It may also give Harvey-impacted homeowners that need reconstruction the immediate opportunity to move to a new home offered for sale through this program. This program will work in conjunction with the Harvey Homeowner Assistance Program Acquisition and Buyout program for those directly impacted by Hurricane Harvey and those indirectly impacted due to the resulting housing shortage.

The City may enter into Memorandums of Understanding (Agreement) with prospective partners, pursuant to which the partner agrees to acquire said properties for new home development, which will be sold to LMI homebuyers in accordance with customary policy and procedures noted in the MOU.
HSFD General Prioritizations

Funding priorities have been established to assist LMI homebuyers and LMI individuals that have participated in the City’s Homeowner Assistance Acquisition or Buyout program.

Based on household composition and qualified income sources, applicants’ income will be evaluated using HUD’s most recent Area Median Income (AMI) as published annually by HUD. The Housing and Community Development Department (HCDD) will use a definition of income, as defined by HUD and the Texas General Land Office, and will use the method of calculating adjusted gross income (AGI) using the IRS 1040 Method for purposes of verifying and determining income eligibility for the Program. Income limits are updated annually and will be published on HCDD’s Disaster Recovery website. The 2018 annual income limits are as follows for this publication:

### 2018 HUD Income Limits Summary

<table>
<thead>
<tr>
<th>Family Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-Mod (80%) Income Limits</td>
<td>$41,950</td>
<td>$47,950</td>
<td>$53,950</td>
<td>$59,900</td>
<td>$64,700</td>
<td>$69,500</td>
<td>$74,300</td>
<td>$79,100</td>
</tr>
</tbody>
</table>

HSFD Eligibility Overview

New construction is eligible based on information provided in the Federal Register waiving the requirements of 42 U.S.C.(a) HCDA Section 105 (a)(1), 105(a)(4), 105(a)(7-8), 105(a)(11), 105(a)(14-15); A waiver eligible under 83 FR 5844 permits new housing construction.

- New construction of single-family homes
- Replacement of existing owner-occupied property damaged as a result of Hurricane Harvey

This eligibility overview provides the requirements, income criteria, and funding priorities that applicants must meet to be eligible for the City of Houston’s CDBG-DR funds, specifically for the Harvey Single Family Development Program. All eligibility and verification methods are subject to City of Houston’s Housing and Community Development Department (HCDD), GLO, and HUD approval. HCDD will engage HUD Certified Counselors to assist applicants with assessing their financial situation and evaluating options for full benefit of the offered programs. The program requirements and eligibility elements include but are not limited to meeting a National Objective, verification of income, duplication of benefits, property location, ownership, occupancy, primary residence, documented damage and tie back to the storm and flood insurance.

Participants of the program may be eligible by documented hardship caused as a result of the storm, including, but not limited to, loss of home, forced displacement, updated FEMA flood map modeling, demonstration of affordability prior to and after the storm, etc.

Participants of the Single-Family Development program may have participated in the Homeowner Assistance Program (HoAP) Acquisition or Buyout options.
Harvey Single Family Development

The following eligibility criteria must be met prior to participation in any of the Harvey Single Family Development Program.

**HSFD Property Eligibility Requirements:**

i. Must be located within the incorporated limits of the City of Houston

ii. Must be located outside of the floodway

iii. Must have an environmental review record completed and evaluated for eligibility

**HSFD Applicant Eligibility Requirements:**

i. Must have resided within the incorporated limits of the City of Houston at the time of the storm (August 25, 2017)

ii. Must have been directly impacted by Hurricane Harvey or indirectly impacted due to the resulting housing shortage.

iii. All homeowner/applicants and co-applicants and household members over age 18 must be current on payments for child support or on an approved payment plan.

iv. Homeowner/applicants must furnish evidence that property taxes are current, under an approved payment plan, or that there is an exemption under current laws.

v. Eligible homeowner/applicants will not be allowed to participate in the program if they have an existing mortgage they are unable to pay off or if they have existing liens on a property.

vi. Homeowner/applicants must agree to a limited subrogation of any future awards related to Hurricane Harvey, to ensure duplication of benefits compliance.

vii. Assistance will be provided in the form of a zero-interest forgivable loan, secured by placement of the highest lien position possible on the property.

viii. Homeowners are required to maintain principal residency in the assisted property throughout the length of the compliance period. Cash-out refinancing, home equity loans, or any loans utilizing the assisted property as collateral are not allowed during the compliance period. A violation of this policy will activate the loan repayment terms.

ix. Program participants must agree to compliance period and lien requirements. The compliance period of homes purchased will be tiered based on the amount of assistance received. The lien on the property will be removed upon completion of the terms and conditions of all documents related to the program and completion of the compliance period.

<table>
<thead>
<tr>
<th>Amount of Assistance</th>
<th>Compliance/Lien Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $40,000</td>
<td>5 years</td>
</tr>
<tr>
<td>$40,001 - $80,000</td>
<td>10 years</td>
</tr>
<tr>
<td>$80,001 and above</td>
<td>20 years</td>
</tr>
</tbody>
</table>

x. Forgiveness of the loan provided will be prorated over the course of the determined compliance period. The proration percentage will depend on the length of the period, with 100% of the loan being forgiven and the lien satisfied at the termination of the compliance period. Should the homeowner use the property as collateral, sell, or otherwise convey their ownership interest in the property during the compliance period, the remaining prorated amount of assistance will become immediately due and payable. HCDD will enforce recapture provisions through a lien when a homeowner conveys their...
ownership interest in the property.

x. Harvey-damaged property inherited from a program participant will not be subject to the repayment requirements. The damaged property will continue its compliance period.

xi. Program participants must maintain insurance for the property. Hazard, flood, and windstorm (if applicable) insurance will be monitored during the length of the compliance period. Please note, flood insurance must be maintained on the property during the life of the property, regardless of transfer of ownership. Failure to maintain flood insurance may result in the denial of future federal disaster assistance should another event occur.

xii. Upon receipt of the disaster recovery benefit, if the property is sold, flood insurance requirements are transferred to the new homeowner. Program participants must notify the new homeowner in accordance with 42 U.S.C. § 5154a. Such notification and transfer parameters must be contained in writing in documents evidencing the transfer of ownership of the property. A program participant may be subject to liability if he or she fails to provide the notice required by 42 U.S.C. § 5154a (see also 83 F.R. 5844, Vol. 83. No. 28, Section 40(b)(3)).


Maximum Assistance:
The amount of assistance is $200,000 per property, however additional allocations, above the $200,000 threshold may be provided to address certain site-specific conditions including Access and Functional Needs (AFN), resiliency/mitigation measures, municipal ordinances, and homeowner/neighborhood requirements. Additional allocations will be allowed at the discretion of the City based on the submitted application, onsite inspection and additional requirements that will be outlined in the Standard Operating Procedure. The maximum amount of assistance inclusive of site-specific conditions shall not exceed $237,000.

<table>
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<tr>
<th>Site Specific Condition</th>
<th>Funding Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resiliency Measures</td>
<td>$10,000</td>
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<tr>
<td>Limited Mobility &amp; Accessibility Needs</td>
<td>$25,000</td>
</tr>
<tr>
<td>Municipal, HOA, and Neighborhood Requirements</td>
<td>$2,000</td>
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</table>

The City will work with applicants who require AFN accommodations by providing an opportunity to select properties that satisfy their AFN needs and/or will incorporate AFN construction in at least 25% of all new homes built.

Community Engagement/Affirmative Marketing/Outreach Plan

The City of Houston has engaged in a robust community engagement strategy to inform Houstonians on the status of the local government’s efforts to secure funding for its long-term recovery from Hurricane Harvey. The City of Houston, through HCDD, is committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts will include the development of an Affirmative Marketing & Outreach Plan based on U.S. Department of Housing and Urban Planning guidelines.
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Development (HUD) regulations to ensure that units financed through the Program are affirmatively marketed to the public at large. This plan will ensure that outreach and communication efforts reach eligible homeowners and renters from all racial, ethnic, national origin, religious, familial status, disabled, and gender groups. The Affirmative Marketing & Outreach Plan will give detailed information about how the City of Houston plans for effective outreach to all groups of homeowners, landlords, and renters mentioned above, as well as how the application and enrollment process for programs will be suitable for persons with limited English proficiency, persons with disabilities and those with special needs. For each program offered by the City of Houston, notification to these populations will include: information on vacant units available for sale and/or rent; information on how to apply for unit purchase, rehabilitation or rental; opportunities to buy and/or rent the unit of their choice, and opportunities to rehabilitate their primary residence to address storm-impact.

Particular emphasis will be focused on successful outreach to LMI areas and those communities with minority concentrations that were affected by the storm. Outreach efforts will 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 or are unable to independently 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 bills advertising the City of Houston’s Hurricane Harvey CDBG-DR funded recovery programs.
- Reach out to public or non-profit organizations and hold/attend community meetings.
- Other forms of outreach tailored to reaching the eligible population may be used, including door-to-door outreach, if necessary, particularly on the weekends.
- Measures will be taken by the City to make the CDBG-DR Disaster Recovery Program accessible to persons who are 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 American Sign Language (ASL) translation when requested, and providing special assistance for those who are hearing or visually impaired when requested.
- Applications and forms will be offered in English and other languages, including Spanish, Vietnamese, Chinese, Arabic and French, prevailing in the region in accordance with Title VI of the Civil Rights Act of 1964, including persons with disabilities (24 C.F.R. 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.
- 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 City of Houston is 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 and laws. HCDD will regularly evaluate outreach activities and applications received will be necessary to determine if outreach is successful and applications that are being received accurately
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reflect the socioeconomic and other forms of demographic diversity. Evaluation will be an ongoing process.

HCDD has discretion in the modification and/or addition of requirements to the Affirmative Marketing & Outreach Plan.

Needs Assessment
The City of Houston completed its Local Housing Needs Assessment to identify the impact of Hurricane Harvey on the city’s housing stock. Information has been gathered from a number of sources to document the impact of Hurricane Harvey including demographic profile of impacted households including low-and moderate households.

The impact on housing is based on an estimation of the extent and depth of flooding using a flood risk assessment methodology and an estimation of damage to all buildings in Houston using a damage assessment methodology. The two methodologies provide an assessment of the impact of Hurricane Harvey’s rainfall on residential buildings. The models used in these methodologies provide information on the level of inundation in each structure and the associated damage in dollar amounts to the building structure and its contents.

The entire City of Houston is located in an area HUD identified as “most impacted and distressed” as it relates to the damage from Hurricane Harvey. The City of Houston’s Local Action Plan and Local Housing Needs Assessment are the basis for the development and prioritization of recovery activities in Houston using CDBG-DR funds. The City has consulted with affected residents and stakeholders, such as the Houston Housing Authority to assess needs. As additional data becomes available and as additional community and stakeholder engagements take place, the unmet needs and activities to address community needs through CDBG-DR funds may be updated. Deviations from the goals must be approved by the City before moving forward. Each needs assessment will be posted for a 30-day public comment period and approved by the GLO before implementation.

Single Family Development Goal Income Categories

<table>
<thead>
<tr>
<th>Single Family Development Program</th>
<th>$204,000,000</th>
</tr>
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<tbody>
<tr>
<td>Income Category</td>
<td>Ceiling</td>
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<tr>
<td>Extremely Low-Income (30% AMI and Below)</td>
<td>$72,473,036</td>
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<tr>
<td>Low-Income (31% to 50% AMI)</td>
<td>$59,864,540</td>
</tr>
<tr>
<td>Moderate-Income (51% to 80% AMI)</td>
<td>$71,672,425</td>
</tr>
<tr>
<td>Middle/Upper-Income (Above 80% AMI)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$204,000,000</td>
</tr>
</tbody>
</table>
Procurement

Adequate documentation to show that selection processes were carried out in an open, fair, uniform, and thorough manner to ensure that federal (2 C.F.R 200.318–200.326), state, and City requirements were met must be maintained by the City.

Record retention records must include, but are not limited to, the following information:

- Rationale 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, solicitations should clearly identify any items included in the bid/purchase. Additional guidance can be found in HUD’s CDBG-DR and Procurement Guidance.

Goods and services must be procured using the federal procurement and contract requirements outlined in 2 C.F.R. § 200.318 – 200.326. These procurement requirements must be followed for reimbursement from grant allocations of CDBG-DR funds provided by HUD. Subrecipients, vendors and contractors are also required to follow state and local procurement law and policies, as well as the additional requirements stated in 2 C.F.R. § Part 200 as applicable.

Additionally, the City’s Strategic Procurement Division may review draft solicitations or responses prior to award for compliance with applicable city, state and federal rules and regulations. Subrecipients and the City 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, an executed contract between selected bidder and the City must document the period of performance, the work to be completed, the agreed price or not to exceed amount, and contractor or provider’s required compliance with all applicable federal, state, and local requirements. If there is a conflict between federal, state, and local laws and regulations regarding procurement, the more stringent law or regulation will apply.

Additionally, contractors are required to achieve compliance with Section 3 (24 C.F.R. Part 135). It is strongly suggested that HUD’s best practices be utilized to help achieve compliance (HUD Model Section 3 Plan), including creating a Section 3 Plan. The Subrecipients are also required to “take all necessary affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible.” (HUD C.F.R. § 200.321).

Furthermore, HUD and GLO require the City maintain a comprehensive public website that provides information for individuals and entities awaiting assistance for Harvey related damage, and the general public to see how all grant funds are used and managed/administered, as well as Federal Register notices and updates related to Hurricane Harvey. To meet this requirement, the City and its subrecipients must make the following applicable items available to post on City’s website (www.recovery.houstontx.gov): procurement policies and procedures; description of services or goods currently being procured by...
Financial Management

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

i. Provide adequate, current, and complete disclosure of the financial results (regular financial reporting) of all financially assisted activities, in accordance with the financial reporting requirements of the grant;

ii. Document that funds have been used only for authorized purposes. For CDBG-DR this includes not only eligible activities but that the funded projects meet a National Objective;

iii. Maintain accounting records that show the sources and uses of funds, displaying funds authorized, obligated and unobligated balances, assets, liabilities, outlays or expenditures and income;

iv. Establish effective internal controls over all cash, real and personal property, and other assets acquired with program funds;

v. Track actual program cost against program budget in a manner that relates to program productivity and accomplishments;

vi. Use Uniform Administrative Requirements outlined in 2 C.F.R. Part 200 principles to determine whether program costs are reasonable, allowable, and can be allocated, either directly or indirectly;

vii. Maintain source documentation for accounting records;

viii. Implement procedures for cash management that permit the timely disbursement to applicants and Subrecipients and complete and accurate monitoring and reporting; and Comply with 2 C.F.R. Part 200 Subpart F.

ix. Conduct single or program specific audits in accordance with the applicable federal requirements. Vendors and contractors employed by the City will be required to comply with the audit requirements as applicable.

The roles and responsibilities described below are related to the financial management of the City of Houston’s CDBG-DR allocation for Hurricane Harvey. These descriptions are not intended to be an exhaustive list of activities performed by each entity in relation to the CDBG-DR grant or in general.

The City of Houston

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

ii. The City Controller – The Office of the City Controller certifies the availability of funds prior to City Council approval of City commitments, processes and monitors disbursements, invests the City's funds, conducts internal audits of the City's departments and federal grant programs, operates
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and maintains its financial management system, conducts the sale of public improvement and revenue bonds and produces a comprehensive annual report of City finances - Comprehensive Annual Financial Report (CAFR). The Controller will be responsible for providing a variety of approvals for release of CDBG-DR funds as payment to vendors, contractors and beneficiaries.

iii. Housing and Community Development Department (HCDD) – HCDD is the grant manager for Houston’s Hurricane Harvey CDBG-DR allocation and responsible for administering all programs outlined in the City’s Local Action Plan.
   a. Disaster Recovery and Public Services Division: This division is responsible for program development and oversight, as well as community outreach.
   b. Finance Division: This division is responsible for processing CDBG-DR grant funding through the Systems Applications and Products (SAP), performing draws in HUD’s Integrated Disbursement Information System (IDIS) and Disaster Recovery Grant Reporting (DRGR) System, and reconciling budgets and expenditures. This division is also responsible for processing payment requests in SAP and federal reimbursement requests to the GLO to be realized in the City’s budget
   c. Planning and Grants Management Division: This division is responsible for the City’s CDBG-DR Local Action Plan, Local Needs Assessment, program applications, other rated planning documents, substantial amendments, project/activity budget set-up and completion in IDIS and DRGR and related reporting to HUD and GLO.

Key Funding Objective
At least 70% of the City of Houston’s CDBG-DR funds must be spent on LMI impacted residents and will require close monitoring of the eligibility and award calculation stages.

Duplication of Benefits
Many federal and state agencies are involved in responding to Presidential declared major disasters under the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (the “Stafford Act”). Grantees must be aware that the Supplemental Appropriations Act authorizing CDBG funding or the Stafford Act may include restrictions on using those program funds to provide assistance when insurance providers or other federal or state agencies have already funded all or a portion of the activity. Certain Supplemental Appropriations Acts also include restrictions against use of those program funds as a matching requirement, share, or contribution for any other federal program.

Each application will be reviewed to determine if previous funding awarded to the applicant was appropriately used on the home and if any funds were received for the same purpose. The applicant must have an unmet need to move forward in the program. The City must determine the applicant’s unmet needs first and then calculate the applicant’s Duplication of Benefits (DOB). Applicants must provide documentation of insurance, Federal Emergency Management Agency (FEMA), Small Business Administration, and any other type of funding received. Additionally, the City will verify that the submitted documentation is accurate and current at the time of the award, to the extent possible (e.g., validate against FEMA data). The City will also determine if insurance was required under the terms of the applicant’s mortgage, or required as a condition of prior federal assistance received, as part of the application review. Private insurance companies will be notified with the applicant’s approval to contact, private insurance companies will be notified and asked to verify/confirm values received.
HCDD will ensure compliance with the Stafford Act through collection, analysis, and verification of third-party benefits received by applicants for purposes of repairs, and/or other duplicate services.

Any sources of funds previously received for the same recovery will be deducted based on information obtained from private insurance, SBA, FEMA, and/or volunteer organizations (including in-kind assistance) used for the same purpose that the CDBG-DR award is intended to assist. The award amount will be determined by onsite inspection of each damaged property to determine the applicant’s unmet recovery need. That amount will be reduced by all previously received funding to determine the final award. Any amounts that are determined to be allowable activities will not be included in the reduction of the final award. Allowable activities will include activities that are excludable from the DOB calculation per the Stafford Act and HUD guidance.

The City will use an Insurance, Benefits and Expenditures Worksheet form to collect initial data as well as an Affidavit of No Insurance (at the time of the storm) form, which will be recorded in every file.

The applicant must repay any assistance later received for the same purpose as those awarded or provided for with CDBG-DR funds. The applicant is obligated to certify that he or she understands this requirement as outlined in detail within the subrogation terms included in the applicant’s contract with the City.

To comply with these requirements, the City of Houston will design Standard Operating Procedures to ensure that any funds determined to be a DOB are deducted from the final assistance award amount for each applicant across the eligible activities of all programs.

**Survey and Application Process**

Individuals seeking to participate in Harvey related CDBG-Disaster recovery programs administered through the City of Houston will be required to first complete a survey. The survey will be accessible through various means, including the HCDD-DR website, in-person or through an Intake kiosk at area Housing Resource Centers (HRC’s), community outreach events, as well as over the phone with direct assistance from an assigned Housing Advisor.

The survey serves many purposes. Initially, the data collected through the survey will help to better identify specific housing needs across the City of Houston’s area population and highlight the alignment with the targeted household prioritizations as revealed through the Needs Assessment results. Additional purposes of the survey will include assessing the impacts of the Affirmative Marketing & Outreach Plan, and identifying actions for ongoing outreach efforts.

HCDD will develop a process to accept applications for funding to serve extremely low-, low-, and moderate-income households. Funding priorities will be developed in a manner that affirmatively furthers fair housing objectives.

**Application Intake**

The application packet will be available online and will include detailed instructions for completing the application, scoring and priority criteria (if applicable), policy overview and eligibility criteria, steps for appeals and/or program escalations, document checklists, environmental requirements, and program
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contact information including location and hours of area Housing Resource Centers (HRC’s), etc.

HCDD Intake Specialists will be responsible for receiving program specific applications and supplemental documentation during the intake process from the applicant until all required information is collected for HCDD to make an official eligibility determination. As applications are being accepted and reviewed for determinations of eligibility to participate in the Program, each applicant will be assisted with documentation collection and made aware of their application status. Applicants will also be able to create an account in the City’s system of record to upload documents and monitor their application status.

Applications will be offered in a manner consistent with the requirements of other fair housing and civil rights requirements, such as 24 CFR § 8.6, the effective communication requirements under the Americans with Disabilities Act (ADA) and Limited English Proficiency (LEP) requirements under Title VI. Applications and forms will be offered in English and other languages prevailing in the region, including Spanish, Vietnamese, Chinese, Arabic, and French, in accordance with Title VI of the Civil Rights Act of 1964, including persons with disabilities (24 C.F.R. § 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. Intake Specialists or Language Specialists Assistants will be assigned to assist applicant and communicate in their primary language. Every effort will be made to assist such applicants in the application process.

The Application Intake phase will be initiated by invitation only (dependent on priority and volume of survey respondents received). Priority tiers will be assessed on a regular basis and formally announced on the website and through updated program memos/e-blasts. Applicants who have met the preliminary criteria through their survey responses will be invited to complete an application for the program. All official applicant program notifications will be made by US Mail (using the mailing address provided by the applicant or communication designee). However, additional contact attempts will also be made via phone and email and/or text if provided. Applicants will be provided an initial 30 days to respond to the invitation to complete a HSFD Application from the date of the official Invitation Notification letter. Applicants, if necessary, will be provided up to two (2) more mailed notifications with an additional 30-day time period to apply (totaling 90+ days). If no response is made to the invitation to apply after all three (3) official Invitation to Apply notifications, applicants will be automatically withdrawn from the active HSFD population (requiring a formal HSFD appeal for consideration of reinstatement).

Applicants who initiate the Application and Intake phase within the prescribed timelines, will be allowed 90 days to fully complete the application and required supplemental documentation. An Application Document Checklist will be provided along with every Application to clearly identify document types accepted for each eligibility criteria. In addition to assigning Intake Specialists to each Applicant, extensive efforts will be made to assist applicants to successfully complete the Intake phase within this timeline, including actively working with area nonprofits and case managers, providing limited legal aid and translation services, offering routine community outreach events, and making mobile area and house visits. Extensions to a 90-day Intake time period will be formally made in writing on a case-by-case basis by the City.

Other Survey and Application Intake deadlines may be determined in the future based on the date of invitation and initiation of Application and overall availability of CDBG-DR/HSFD specific funding. Prior
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to the loan closing date, all applicants will be informed in writing that funding even after eligibility determination, will not be guaranteed. New policy and critical date determinations will be provided on the website and shared through written Harvey Recovery Program notifications. Case management will be provided throughout the process to assist applicants and their families through clear and transparent communication to understand the program’s housing options, determine eligibility, navigate the construction process, execute necessary documentation, and close out the project while decreasing barriers to participate in the program.

Paper records will not be accepted and will be returned by mail if received. All records will be developed and signed via Docusign within the systems and/or scanned electronic records. Paper records, originals or copies, will not be retained over a long-term period. The programs Document Management Standard Operating Procedures will provide specifics of document naming conventions, receipt, transfer, tracking, and general record retention details.

Subrecipient Selection Process

The City of Houston, with approval from the GLO, will administer a Subrecipient Selection process for a portion of the Single Family Development program. The solicitation will clearly establish the process and acceptance period, threshold criteria (including applicable building codes), selection criteria, and the award process. Selected projects must be completed within 18 months of the effective date of the contract, unless otherwise extended by GLO. Project selection criteria and process information will be established in the program guidelines. The selection criteria will likely include, but is not limited to, the following:

1. Organizational experience
2. Housing types
3. Project location information
4. Financial analysis

All awarded applications will be evaluated to confirm compliance with environmental and Affirmatively Furthering Fair Housing (AFFH) requirements.

Power of Attorney & Communication Designee

An individual with Power of Attorney (POA) or approved Communication Designee for the owner-occupant may assist with the completion of applicant’s application. Only a properly executed POA allows another individual to sign on behalf of the applicant.

Applicant Contract Award Meeting (Forgivable Loan Closing)

The provision of assistance is contingent upon the availability of funding. When funding is limited or unavailable, the City may create a waiting list pending notification from the GLO and HUD of additional funding. Applicants seeking assistance may be placed on a waiting list after the survey and application phase if necessary.

Once a wait list is opened, if funding is available, applicants will be served based on the program priority groups and affiliated scoring tiers. Applicants with the most points will be awarded first when funding becomes available. If all or several applicants have an equal number of points, then applicants will be awarded and ranked based on the time of application.
Applicant Voluntary Withdrawal
If an applicant chooses to voluntarily withdraw or is administratively withdrawn from the Program, the applicant is required to return ALL previously disbursed funds back to the Program. Applicants must clearly provide a written reason and notice of intent to voluntarily withdraw their application. HCDD will send the applicant a written notice of acknowledgement of his/her voluntary withdrawal.

Voluntary Withdrawal Reinstatement Requests
Applicants who have voluntarily withdrawn from the Harvey CDBG-DR programs may submit a written request for reinstatement based on extenuating circumstances. The request will be reviewed and approved by HCDD, on a case-by-case basis.

Administrative Withdrawals
Applicants may be administratively withdrawn for multiple reasons; the following are several example reasons:

- Any applications that are started but not completed and not submitted within sixty (60) days of the initial start of the application or by the end of the application period will be formally withdrawn.
- The program confirms that an application is a duplication of other valid applications or results in an overlap of other program funds.
- An applicant fails to provide required documentation or information after receiving a written request, or to communicate a reasonable timeframe for supplying said documentation;
- An applicant is aggressive and/or abusive to a HCDD employee or any other representative or affiliate of the program.
- An applicant violates the statement to provide true and complete information by providing false or misleading information.

Construction
Housing that is constructed with CDBG-DR funds must meet all applicable local, codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. This includes proof of Certificates of Occupancy as required.

HCDD will offer the following unit sizes below in the HSFD program:

<table>
<thead>
<tr>
<th>Persons in household</th>
<th>Bedrooms</th>
<th>Bathrooms</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-4</td>
<td>3</td>
<td>2</td>
<td>1,300-1,400</td>
</tr>
<tr>
<td>5 or more</td>
<td>4</td>
<td>2</td>
<td>1,500-1,600</td>
</tr>
</tbody>
</table>

Modifications to unit size will be considered for special circumstances such as accessibility and mobility adaptations, familial status, property lot constraints, city ordinances and financial hardships.

Approved structural types for the program include stick built structures and modular structures.

Minimum Construction Standards for single family new construction homes with CDBG-DR funds are outlined in the City of Houston HCDD Minimum Construction Standards for Rehabilitation,
Reconstruction and New Construction of Single Family Housing. The requirements and standards may exceed the requirements of the Housing Quality Standards (HQS) and are determined necessary to further define the common definitions of “safe, decent, and sanitary” housing; “non-luxury, suitable amenities” housing; and “good quality, reasonably priced” housing, that is affordable to persons and families that are low or moderate income. The standards are also designed to assist in achieving consistency throughout the City of Houston for single-family reconstruction and new construction residences funded with the Federal funds through Disaster Recovery programs.

The City of Houston, through its Standard Operating Procedures and it’s Forgivable Loan Agreement will outline detailed procedures for the performing, tools and interfaces associated with the construction management and oversight function. The Standard Operating Procedures will include construction inspection information for progress, final and TREC compliance along with payment requirements.

The warranty period shall commence on the date of issuance of the Certificate of Compliance for the Home and end 1 year thereafter for workmanship and materials, 2 years thereafter for a warranty covering a mechanical or delivery system, including electrical delivery systems, plumbing delivery systems, ventilation, heating and air conditioning systems, and 10 years for the structural warranty, including without limitation 10 years for major structural components of a Housing Unit.

Contractor shall provide to the Director all necessary final certificates, licenses, consents and other approvals of the various governmental authorities having jurisdiction, including, a permanent Certificate of Compliance, as applicable. All COC, warranties, and other final documents will be provided to the homeowner upon completion of the work.

Site and Development Restrictions

1. **General Standards**
   All housing units participating in the Harvey Single Family Development Program (HSFD) will be required to meet Housing Quality Standards detailed under 24 C.F.R. § 982.401 and Fair Housing Accessibility Standards. Housing activities must also meet all local building codes or standards that may apply. All Single-Family Homes should also incorporate resiliency solutions which may include: elevating the first floor of the habitable area; windstorm protection; reinforced roofs; storm shutters; use of ENERGY STAR appliances and fixtures; and use of mold and mildew resistant products. All new construction projects must also meet Green Building Standards.

2. **Minimum Property Standards (MPS)**
   a. All CDBG-DR assisted new construction projects must meet MPS at completion, at minimum, as well as all applicable local codes and ordinances.

3. **Standards for:**
   a. **Constructed or Substantial Improvements**
      City’s adopted 2012 International Residential Code (IRC) (with windstorm provisions) and International Building Code (IBC) (and subsequent adoptions thereafter in accordance required IRCs and IBCs) must be met where they apply. 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, HCDD will 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.

b. Green Building Standards
   New housing construction, reconstruction or substantially rehabilitated housing must comply with ONE of the following Green Standards:
   i. ENERGY STAR (Certified Homes);
   ii. EPA Indoor Air Plus (Energy Star a prerequisite);
   iii. LEED (New Construction, Homes, or Neighborhood Development); or

c. Elevation
   The City of Houston 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 C.F.R. § 55.2(b)(1). All structures, as defined under 44 C.F.R. § 59.1, designed principally for residential use and located in the 500-year (or 0.2 percent annual chance) floodplain that receive assistance for new construction, repair of substantial damage, or substantial improvement, as defined under 24 C.F.R. § 55.2(b)(10), must be elevated with the lowest floor, including the basement, at least 2 feet above the annual floodplain elevation or as modified by local code.

4. Accessibility
   Single Family Housing Units must meet the accessibility requirements at 24 C.F.R. Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and the City’s Visitability Standards in City ORD 2003-1239. Detailed information and implementation on Visitability requirements will be detailed in the SOP. Covered multifamily dwellings, as defined at 24 C.F.R. § 100.201, as well as common use facilities in developments with covered dwellings, must meet the design and construction requirements at 24 C.F.R. § 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 (79 FR 29671, May 23, 2014).

Environmental
In accordance with the US Department of Housing and Urban Development’s (HUD) regulations for implementing the National Environmental Policy Act at 24 C.F.R. Part 58, the City of Houston’s Housing and Community Development Department (HCDD) must perform and complete Environmental Reviews of proposed programs, projects, and activities that will utilize Hurricane Harvey CDBG-DR funds. These funds will be administered by the Texas General Land Office (GLO), which will review all levels of Environmental Review documentation submitted before issuing environmental clearance for each proposed action to utilize funds. GLO will maintain an Environmental Review Record (ERR) of approved documentation as a compilation of each level of environmental review performed under the City’s CDBG-
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DR funded programs. HCDD maintains an ERR of all submitted and GLO-approved compliance documentation. HCDD also maintains a record of site-specific documentation that demonstrates environmental compliance of GLO-approved construction activities.

HCDD’s ERR will compile all levels of environmental review documentation required under 24 C.F.R. § Part 58. This includes HUD required forms and checklists submitted and approved by GLO for activities determined exempt according to 24 C.F.R. § 58.34 or those that are Categorically Excluded Activities Not Subject to the Section 58.35 Statutes (24 C.F.R. § 58.35(b)). These contain documentation of compliance with the statutes and regulations listed at 24 C.F.R. § 58.6 (e.g. Floodplain Disaster Protection Act of 1973, Coastal Barriers Resources Act, as amended by the Coastal Barrier Improvement Act of 1990, and Airport Runway Clear. The ERR will also contain GLO-approved site-specific environmental assessments of proposed actions per 24 C.F.R. Part 58.40.

Where considered appropriate, one or more of the City’s CDBG-DR funded programs will be subject to a tiered environmental review process in accordance with 24 C.F.R. 58.15. The tiered approach allows for a Tier I level broad environmental analysis of proposed policy and action(s) in the early stage of strategic development when site-specific analysis is not yet feasible, yet those actions are known to be geographically and/or functionally aggregated. The Tier I Broad Environmental Review thus identifies environmental compliance factors that can be analyzed and resolved with policies and decisions at this stage, to streamline or narrow the focus of the Tier II site-specific environmental assessment of potential environmental impacts once construction sites are known and appropriate mitigation measures can be specified. Therefore, HCDD’s ERR will also maintain the GLO-approved versions of all Tier I and Tier II level environmental reviews performed.

While not currently anticipated, certain proposed actions undertaken by the City with CDBG-DR funds may be determined to have a potentially significant impact on the human environment and therefore require an Environmental Impact Statement in accordance with 24 C.F.R. § 58.37. In the event such an effort become necessary, all required documentation developed during the process would also become part of HCDD’s ERR.

Appeals and Complaints

HCDD’s appeal process will be provided in writing to any appellant upon request or receipt of an appeal, and the same process will be clearly posted on the City’s websites, including disaster recovery websites and entitlement program websites. HCDD will keep a record of each appeal that it receives and include all communications and their resolutions therein.

Applicants have the right to appeal decisions made on their program file based on the following:

- Non-receipt of award through NOFA or RFP process
- Denied services through any of HCDD’s programs
- Denial of a request for resolution for tax credits
- Program eligibility determination
- Program award calculation
Harvey Single Family Development

- Program determination of Moderate or Substantial damage leading to Rehabilitation or Reconstruction
- Procedural error where the application was not processed by program staff in accordance with the program guidelines
- Affirmatively Furthering Fair Housing

Appeals must be made in writing, and may either be in letter form, through HCDD’s website, or on HCDD’s Appeal Request Form (available on HCDD’s website or at the HCDD office). Written appeals will be accepted either by mail or in-person at the HCDD office. To be considered complete, an appeal must contain the following information:

- Name
- Property Address
- Mailing Address (if different from Property Address)
- Phone
- Application number (if applicable)
- Email Address
- Reason for Appeal

Appeals must be made within thirty (30) days of notice of the determination on the applicant’s file that generated the appeal. Upon receipt of an appeal, HCDD will respond in writing to the appellant of the program area’s decision regarding the appeal and provide the basis thereof within thirty (30) days, as practicable.

**Appeals Review Committee**

Should the initial appeal process with the program area not achieve a resolution amenable to the appellant, the appellant has the right to escalate the appeal, in writing, to the Appeals Review Committee (ARC). The appellant may only escalate the appeal after the completion of the initial program area process.

The ARC will process the escalated appeal within thirty (30) days, as practicable. The ARC will transmit their decision to the appellant in writing.

**Texas General Land Office**

Should the appellant not be satisfied with the outcome determined by the ARC, they have the option to dispute the decision by sending an appeal in writing to the Texas General Land Office (GLO). The appellant has thirty (30) days to submit an appeal directly to GLO following receipt of the ARC’s decision regarding their appeal.

If no word on a pending appeal is received by HCDD within the appropriate timeline from GLO, HCDD will designate the appeal decision made by the Appeals Review Committee as the final decision and consider the matter closed.

**Contact Information**
Harvey Single Family Development

HCDD Mailing Address
Housing and Community Development Department
2100 Travis St., 9th Floor
Houston, TX 77002
Attn: Planning & Grants Management

HCDD Email Address
HCDDComplaintsAppeals@houstontx.gov

HCDD Business Hours
Monday through Friday
8:00 AM to 5:00 PM

GLO Mailing Address
Texas General Land Office
PO Box 12873
Austin, TX 78711-2873
ATTN: GLO-CDR

GLO Email Address
cdr@recovery.texas.gov

GLO Telephone
(844) 893-8937
(512) 475-5000

Complaints
The City of Houston Housing and Community Development Department (HCDD) welcomes feedback and complaints from any member of the public. Complaints are accepted in writing or over the telephone. Complaints will be responded to in writing within fifteen (15) business days, as practicable. For further information, please refer to the HCDD recovery website, https://recovery.houstontx.gov

Contact Information
HCDD Mailing Address
Housing and Community Development Department
2100 Travis St., 9th Floor
Houston, TX 77002
Attn: Planning & Grants Management

HCDD Email Address
HCDDComplaintsAppeals@houstontx.gov

HCDD Business Hours
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Guideline Updates/ Waivers /Public Comments

HCDD will publish all Program Guidelines on the City’s website (www.recovery.houstontx.gov). All guidelines will initially be published for a 30-day public comment period. Any subsequent changes to the Guidelines after approval by the Texas General Land Office will be posted for a minimum of seven days for public comment and the latest versions available on the City’s website.

As the HSFD matures, it is possible there will be requests for waivers and alternative requirements to these Guidelines. These requested changes and waivers must be consolidated, reviewed, and approved by the GLO.

To request a waiver, HCDD must submit a written request on HCDD letterhead that includes the following:

1. The Guideline for which the waiver applies
2. The requirement to be waived or altered
3. Alternative requirement or language
4. Detailed statement of how the request is necessary to address unmet recovery needs

*General Program Waiver Request*
A General Program Waiver request includes a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements, for which approval from the GLO is needed within thirty (30) days. The request must demonstrate that the funds will be used for an eligible CDBG-DR eligible activity and meet a national objective.

Waivers of this category must be published for seven (7) days and public comment received and addressed before implementation.

*Emergency Waiver Request*
An Emergency Program Waiver Request is a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements that must be implemented as soon as possible, for example, to resolve or prevent a compliance issue. An Emergency Waiver Request must be submitted to GLO immediately and a response should be received from GLO within five (5) business days.

In the case of requests that must be routed to HUD for approval, it is expected that GLO and the City of Houston will request an expedient response. If the request will not be approved prior to the anticipated or necessary implementation timeline, GLO must notify the City of Houston via official letter of the necessary escalation to HUD and anticipated timing.
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Additional requirements may be requested as required for submission depending on waiver type and category.

Cross Cutting Federal Regulations
The HSFD will be designed and implemented in compliance with cross-cutting federal regulations when applicable, including:

Americans with Disabilities Act (ADA)
The Americans with Disabilities Act of 1990 (ADA) prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, state, and local government services, public accommodations, commercial facilities, and transportation. It also mandates the establishment of telecommunications device for the deaf (TDD)/telephone relay services. The City of Houston Housing and Community Development Department (HCDD) takes affirmative steps to ensure that people with disabilities have equal access to the programs offered by HCDD, and that any services are delivered in the most integrated manner possible. HCDD’s mandate to conform to the requirements of ADA flows down to every stakeholder, including subrecipients, vendors, contractors and developers.

Davis-Bacon Labor Standards
The Davis-Bacon Act and Related Acts (DBRA) applies to contractors and subcontractors carrying out certain federally funded or assisted construction contracts in excess of $2,000 and requires, the payment of the prevailing wages (including fringe benefits) for corresponding work on similar projects in the area. In some cases, City of Houston Prevailing Wage Law is in effect. In the event of a difference in the prevailing wage rate between the rates of the funding entity (e.g. the federal government) and the City, the higher prevailing wage rate must be adhered to and made applicable. For certain federally assisted prime construction contracts of more than $100,000 subject to the DBRA, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular pay for all hours worked over 40 in a work week. Additionally, HCDD must follow the reporting requirements per HUD and the U.S. Department of Labor regulations. This requirement also extends to HCDD’s sub-recipients and contractors.

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

Fair Housing
The Fair Housing Act requires all grantees, Subrecipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the
benefit of, or subjected to discrimination in any housing program or activity because of age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability, or marital status. HCDD enforces the Fair Housing Act by ensuring that all grantees, Subrecipients, and/or developers meet the applicable Fair Housing and Affirmative Marketing requirements, provide a marketing plan, and report on compliance in accordance with the Fair Housing Act and the associated forms on HCDD’s website, where applicable. The Affirmative Marketing Plan must comply with applicable Fair Housing Laws and demonstrate how the applicant will affirmatively further fair housing throughout applicable HCDD disaster recovery programs.

**Fair Labor Standards Act of 1938, as Amended**
The Fair Labor Standards Act of 1938, as amended (FLSA), establishes the basic minimum wage standards work and requires the payment of overtime, for certain employees, at the rate of at least one and one-half times the basic hourly rate of pay for hours worked after 40 hours of work in a workweek. These labor standards are applicable to the entire construction contract, regardless if CDBG-DR funds finance only a portion of the project.

**Limited English Proficiency**
Federal Executive Order 131661 requires HCDD and all satellite offices, programs, Subrecipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP) and/or deaf/hard of hearing. HCDD ensures fair access through the implementation of a Language Assistance Plan (LAP), which includes non-English-based outreach, translation services of vital documents, free language assistance services, and staff training. Refer to the “Language Assistance Plan” Provision of Language Assistance Services for additional guidance and protocols.

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

**Section 3**
Section 3 of the Housing and Urban Development Act of 1968 requires that grantees, sub- recipients, contractors, sub-contractors, and/or developers funded in whole or in part by CDBG-DR funding, to the greatest extent feasible, extend economic opportunities such as hiring opportunities and contracts to Section 3-eligible residents and businesses. Section 3-eligible residents are low- and very low-income persons who live in the metropolitan area or non-metropolitan county where a HUD-assisted project for housing or community development is located and people who live or reside in public or government assisted housing.
Residential Anti-Displacement
All subrecipients must follow HCDD’s Residential Anti-Displacement Policy.

Uniform Relocation Act and Real Property Acquisition (URA)
The acquisition of real property using CDBG-DR federal funds, as administered by HCDD, is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and/or Section 104(d) of the Housing and Community Development Act of 1974. The applicable federal regulations are located at 49 C.F.R. Part 24 (URA), 24 C.F.R. part 42, Section 104(d) of the Housing and Community Development Act (42 U.S.C. § 5304(d) (“Section 104(d)”), and in the Tenant Assistance, Relocation and Real Property Acquisition Handbook (HUD Handbook 1378). The February 9, 2018 Federal Register Notice (FR-6066-N-01) waived the one-for-one replacement requirements at Section 104(d)(2)(A)(i)-(ii) and (d)(3) and 24 C.F.R. § 42.375.

Subrecipients or contractors must provide the following benefits to households or businesses that they displace:
 Relocation advisory services;
 A minimum of 90-day notice to vacate;
 Reimbursement for moving expenses; and
 Payments for added cost of renting or purchasing comparable replacement housing.

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

Real Property
If CDBG-DR funds are used to acquire real property, HCDD will ensure that the property continues to be used for its intended (and approved) purpose; proper records are maintained to keep track of it; steps are taken to protect and maintain it; and that if the property is sold, HCDD is reimbursed for the CDBG-DR share of the property’s value. HCDD, as the grantee, along with its subrecipients and contractors, must tag and log all property valued greater than $1,000 and update inventory records annually.

The federal requirements relating to real property are organized according to title (ownership), use, and disposition and outlined in 2 C.F.R. § 200.311. In general, the property management system must provide for accurate records, the performance of regular inventories, adequate maintenance and control, and proper sales procedures. Grantees must follow sales procedures that provide for competition, to the extent practicable, and that result in the highest possible return.

Acquisition of Real Property
Upon notification of permission from HCDD, the City proceeds with efforts to acquire any real property, including easements and right-of-way, required for the project. CDBG-DR federal funds, administered by HCDD and disbursed to subrecipients and direct contractors and/or beneficiaries, are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) and/or Section 104(d) of the Housing and Community Development Act of 1974. The
applicable federal regulations are located at 49 C.F.R. Part 24 (URA), 24 C.F.R. Part 42 (Section 104(d)), and in Tenant Assistance, Relocation and Real Property Acquisition Handbook (HUD Handbook 1378).

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

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

A purchase option agreement on a proposed site or property prior to the completion of the environmental review is allowed if the option agreement is subject to a determination by the sub-recipient on the desirability of the property for the project after the environmental review is completed and the cost of the option is a nominal portion of the purchase price. Prior to advertising for bids, the subrecipient must have obtained all lands, rights-of-way, and easements necessary for carrying out the project.

HCDD will provide property owners with the appropriate forms, including Involuntary Preliminary Acquisition Notice; Invitation to Accompany an Appraiser; Written Offer to Purchase; Statement of Basis of Just Compensation; Notice of Intent Not to Acquire; Donation and Appraisal Waiver; and Administrative Settlement.

**Insurance and Property Management**

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

1. The property continues to be used for its intended (and approved) purpose;
2. The subrecipient keeps track of, and takes care of, the property; and
3. If the subrecipient sells or disposes of the property during the contract period, the subrecipient reimburses HCDD for the share of the property’s value according to the agreement.

**Record Keeping, Retention and File Management**

In accordance with HUD regulations, the GLO as the grantee, and HCDD as the sub-recipient and prime recipient of CDBG-DR funds follow the records retention requirements cited in 2 C.F.R. Part 200, which includes financial records, supporting documents, statistical records and all other pertinent records. HCDD establishes recordkeeping and retention requirements in its sub-recipient and contractor agreements in accordance with the guidelines stated in 24 C.F.R. § 570.503(b)(2).

**Reporting**

As a recipient of CDBG-DR funds, HCDD, working with the GLO, will establish reporting requirements in accordance with 24 C.F.R. § 570.503(b)(2). HCDD has established its own reporting requirements in accordance with the provisions as found in 2 C.F.R. Part 200, as applicable:

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

Record Retention
Record retention is a requirement of the program. Records are maintained to document compliance with program requirements and federal, state, and local regulations and to facilitate a review or audit by HUD. The HCDD Records Management Program seeks to ensure that:

- HCDD complies with all requirements concerning records and records management practices under federal and state regulations;
- HCDD has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements, and community expectations; and
- These records are managed efficiently and can be easily accessed and used for as long as they are required.

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

Access to Records (State – City)
24 C.F.R. § 570.490 Recordkeeping requirements:
“(c) Access to records.
Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits. The State shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG funds consistent with State or local requirements concerning the privacy of personal records.”

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

Audit Requirements
In accordance with Subpart F of 2 C.F.R. 200, non-federal entities that expend $750,000 or more during their fiscal year in federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions therein. HCDD is responsible for conducting reviews of these single or program-specific audit reports and for coordinating the issuance of management decisions for audit findings relating to HCDD-provided federal funds.
_Fraud, Waste and Abuse_

The City will assess all program systems, processes and Standard Operating Procedures from an anti-fraud, waste, and abuse perspective. The City will provide anti-fraud training to program staff. Anyone with information regarding known or suspected misappropriation of funds or resources is encouraged to report the information to the City by sending a written report via U.S. mail to the following address: City of Houston, Housing and Community Development Department, 2100 Travis Street, 9th floor, Houston TX 77002.

_Conflicts of Interest_

The program requires all program staff to disclose any relationship with an applicant, vendor or contractor. Program staff, sub-grantees, program administrators, vendors and contractors who disclose such relationships are placed in roles where there is no opportunity for them to display favoritism or collude to financially or otherwise benefit themselves, the applicant, vendor or the contractor. For example, a customer representative may not perform work on the application of family. For purposes of this regulation, “family” is defined to include spouse, parents, mother-in-law, father-in-law, grandparents, siblings, brother-in-law, sister-in-law, and children of an official covered under the CDBG conflict of interest regulations at 24 C.F.R. § 570.489(h).

HCDD may consider granting an exception to the conflict of interest provisions per 24 C.F.R. § 570.489(h)(4) if HCDD has determined that the subrecipient, vendor or contractor has adequately and publicly addressed all 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, as amended and the subrecipient has complied with the requirements listed in 24 C.F.R. § 570.489(h)(4)(i) and (ii). HCDD considers the factors set forth in 24 C.F.R. § 570.489(h)(5), such as whether the exception provides a significant cost benefit or essential degree of expertise; whether the opportunity was provided for under open competitive bidding or negotiation; whether the person affected is an LMI person, whether the affected person has withdrawn from his or her functions or responsibilities; whether the interest or benefit was present before the affected person was in a position to benefit from the conflict of interest; or whether undue hardship results from failure to grant the exception.

_Confidentiality/Privacy_

The Program is committed to protecting the privacy of all individual stakeholders, including the public and those individuals working on the program. The program’s policies describe how information is to be handled and protected. The purpose of this privacy policy is to establish when and under what conditions certain information relating to individuals may be disclosed.

The data collected from applicants for the Program may contain personal information on individuals that is covered by the Federal Privacy Act of 1974, as well as applicable state laws. These laws provide for confidentiality and restrict the disclosure of confidential and personal information. Unauthorized disclosure of such personal information may result in personal liability with civil and criminal penalties. The information collected may only be used for limited official purposes:
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- Program staff may use personal information throughout the award process to ensure compliance with program requirements, reduce errors, and mitigate fraud and abuse.
- Independent auditors, when hired by the City to perform a financial or programmatic audit of the program, may use personal information in determining program compliance with all applicable HUD and federal regulations, including the Stafford Act, CDBG-DR requirements and State and local law.
- HCDD may disclose personal information on an applicant to those with official Power of Attorney for the applicant or for whom the applicant has provided written consent to do so.

Organizations assisting HCDD in executing the CDBG-DR Program must comply with all federal and state law enforcement and auditing requests, including, but it not limited to requests from HUD, FEMA, FBI, Office of the Comptroller, and the Office of the Inspector General.

Monitoring

HCDD’s Compliance and Monitoring Plan (Plan) will outline principles of governance and standards and management, supporting the City of Houston’s (City) HSFD Program. The Plan is mandated to establish a coherent governance structure, management standards and content requirements for policies and processes to manage compliance risk factors of the Program.

The Plan will outline the activities required by the City and the records required to document these activities. In addition to monitoring, this includes activities required to correct any issues raised as part of the monitoring process and documentation of activities required to remedy these issues. The Plan will also aim to do so in a way that balances HCDD’s need to examine a sufficient sample of all Program applications processed by contractors against the constraint of limited resources within the City for this purpose. Compliance monitoring is necessary to validate the key assumptions, data sources and procedures used in measuring and monitoring compliance risks and to confirm controls are working as intended.

HCDD will formulate its own monitoring plan, which will encompass all compliance-related issues that are specified in the Guidelines and Standard Operating Procedures (SOP); and HCDD will establish detailed tools and checklists to fulfill the Program requirements regarding:

1. Case Management/Intake Phase
2. Planning
3. Pre-Construction
4. Construction
5. Close-out

Program Closeout

HCDD assigned program staff will coordinate all required file documentation with homeowners, vendors, contractors necessary to verify completion of construction to program requirements and submit for approval of completion and closeout and proper record keeping and retention of relevant documents for at least 3 years beyond grant closing. In accordance with HCDD approved Standard Operating
Procedures, the HCDD assigned project staff will ensure compliance with program construction requirements. In addition to construction closeout documents, closeout staff will make sure that all relevant applicant, procurement, and audit documents are maintained to document compliance with program requirements and federal, state, and local regulations and to facilitate a review or audit by HUD. Both contractor and program retainage will be released based on the approval of the Director when all closeout requirements are completed in accordance with applicable contract documents. In addition, HCDD will maintain monitoring staff to assist program closeout through compliance periods.
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Version History

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Definitions

Acquisition:  Acquisition of Real Property at 100 percent post-disaster fair market value (FMV) of the land and structures that allows City to acquire real property for any public purpose, as set forth in 24 C.F.R. § 570.201(a). Acquisition-only is typically not considered a complete activity in the Program and may be combined with another eligible activity (i.e., relocation assistance and new construction of housing). Methods of acquisition include purchase, long-term lease (15+ years), donation or otherwise (CPD-17-09). The City has the flexibility to hold any property purchased through acquisition as undeveloped green space in perpetuity or to redevelop it in a resilient manner.

Adjusted Gross Income (AGI):  AGI is an individual's total gross income minus specific deductions as shown on the federal tax return.

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

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

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

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

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

Builder Assignments:  A qualified pool of builders developed by contractors or the City. They must also meet state, city and federal procurement requirements and possess controls that will ensure quality construction that meets the standards of the CDBG-DR Housing Program.

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 consider all special circumstances of the survivor’s needs to decrease their barriers to participate in the program where possible. Staff should meet at designated locations and supply information in a standard format.

Compliance Period:  The time period during which a property must comply with CDBG-DR program rules and regulations, including primary residency, income, and rent restrictions as applicable.
Damage Assessment: An inspection of the housing unit to document damage from the event. The assessment by a certified or licensed inspector (HQS, TREC, or similar license) is required to specifically and clearly document storm-related property damage via photographic evidence and detailed narratives. Damage assessments must include final cost of repair estimates according to local code, an assessment of the cost-effectiveness of each recommended activity (rehabilitation, reconstruction, or new construction), mold remediation, and assistance needed to bring the home up to code at completion.

Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts (DBRA): 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 and reconstruction of residential property only if such property contains not less than 8 units.

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

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

Elevation Standards: Standards that apply to 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 C.F.R. § 55.2(b)(1).

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

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

Family: The term “family” means all persons living together in the same housing unit, as further defined under 24 C.F.R. § 570.3.

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

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

**Floodplain:** FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.
- “100-year floodplain” — the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year.
- “500-year floodplain” — the geographic area defined by FEMA as having a 0.2 percent change of being inundated by a flooding event in any given year.

**Floodway:** FEMA designated channel of a river or other watercourse and the adjacent land areas that must be reserved to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

**General Land Office (GLO):** The Texas General Land Office is the lead agency for managing the State’s Community Development Block Grant – Disaster Recovery grants.

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

**Green Building Standards:** All rehabilitation (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: (1) ENERGY STAR (Certified Homes or Multifamily High-Rise), (2) EPA Indoor Air Plus (Energy Star a prerequisite), (3) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), or (4) ICC–700 National Green Building Standard.

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

**Household:** A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the LMI National Objective is based on the LMI of the household.
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*Housing and Community Development Act of 1974, as amended by the Supplemental Appropriations Act of 1984*: Established the program of Community Development Block Grants to finance the acquisition and rehabilitation of real property and which defined the recipients and uses of such grants, with the primary goal of benefitting LMI persons.

*Housing and Urban Development Act of 1968, Section 3*: Requires program administrators ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 C.F.R. § 135.32.

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

*Low/Mod Housing (LMH)*: Any activity that involves the buyout, acquisition, or rehabilitation of property to provide housing or improve permanent residential structures will upon completion benefit and must be occupied by low- and moderate-income households (42 U.S.C. 5305(c)(3)). Income eligibility will be determined using Area Median Income (AMI), adjusted for family size and verified in accordance with City’s Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by the City to verify the income eligibility of each household applying for assistance at the time assistance is provided.

*Low/Mod Income (LMI)*: Activities which benefit persons of income that does not exceed 80 percent of the area median income:

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

*Manufactured Housing Unit (MHU)*: A structure, transportable in one or more sections which in the traveling mode is 8 body-feet or more in width, or 40 body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.
Mitigation: Improvements made to reduce the possibility of property damage, personal and commercial hardship, as well as long lasting monetary burdens. For example, creating a flood mitigation program such as an acquisition of at-risk flood-prone property/housing, and elevation of housing in high-risk floodplains are two visible and effective mitigation projects that can be taken to make residents and communities safer in the face of natural disasters.

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

Multifamily Rental: Eight or more rental units in the property.

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

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.

One for One Replacement: Subpart B Requirements Under Section 104(d) of the Housing and Community Development Act of 1974, 24 C.F.R. § 42.375 provides for public and/or assisted lower-income dwelling units to be demolished or converted to a use be replaced with comparable lower-income dwelling units.

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

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

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 percent LMI to benefit low- to moderate-income beneficiaries.) See 24 C.F.R. § 570.208(b). 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 C.F.R. §
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38.201(o). The definition of subrecipient does not include procured vendors, private grant administrators, or contractors providing supplies, equipment, construction, or services and may be further restricted by Program rules or other guidance including applications. See vendor definition for further clarification.

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

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

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

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 C.F.R. § Part 24) (42 U.S.C. 4601 et seq.) (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 C.F.R. § Subpart B) acquisition or multifamily 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, as waived by the FR.

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

Vendor: Vendors and private grant administrators procured by the city or contractors to provide supplies, equipment, or services necessary to implement the Program and to serve homeowner assistance needs. Upon approval, the vendor may implement the Program or act on behalf of the City.