



# Galveston County – Hurricane Ike Disaster Recovery Round 2.2 CDBG Housing Program Guidelines

*Submitted and Approved by the Texas General Land Office on 08/01/2013*

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# PART A – GENERAL PROGRAM GUIDELINES

## 1. INTRODUCTION

The Texas General Land Office (GLO) is the designated administrator of a Community Development Block Grant Disaster Recovery (CDBG-DR) Program funded by the U.S. Department of Housing and Urban Development (HUD) under Public Law 110-329. GLO is the agency responsible for the administration of these disaster funds allocated for Hurricane Ike recovery. GLO contracted with Galveston County to administer these funds at the local level and carry out eligible housing and other CDBG activities targeted for low-moderate income affected residents. The Program shall be under the direct supervision of James Gentile, Galveston County Director of Housing, or his designee.

These General Guidelines were developed to serve as the basis for the Hurricane Ike Round 2.2 Galveston County Housing Assistance Programs (GCHAP) to provide a systemic and consistent approach through which the programs will be implemented. These guidelines will apply to all single family housing programs and address certain aspects of rental and slum/blight programs provided through the County’s Housing Department. Rental and slum/blight program activities will be provided under separate guidelines.

Administrative procedures utilized to implement the programs will be added and modified to meet any changes made to such rules and regulations of the above 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.

Applicants who qualify for the Homeowner Opportunity Program (HOP) and elect or decline to participate in the option to relocate to a safe and higher opportunity area, from their original, storm-damaged property, will be subject to GCHAP Single Family Housing Assistance Program Guidelines.

The GCHAP was allocated \$115,725,091 to provide assistance to the area which includes unincorporated areas of Galveston County (excluding the City of Galveston) and includes Bayou Vista, Clear Lake Shores, Dickinson, Friendswood, Hitchcock, Jamaica Beach, Kemah, La Marque, League City, Santa Fe, Texas City, Freddiesville, San Leon, Bacliff, Crystal Beach, Gilchrist, Bolivar, Bayshore, and Tiki Island. Only those areas within these municipalities that also are within Galveston County are included in the Program area.

**TABLE 1- HOUSING PROGRAM ALLOCATIONS**

<b>Program</b>	<b>Program Allocation</b>
<b>LMI / Single-Family Housing</b>	\$86,004,344.00
<b>Single-Family Rental</b>	\$6,900,878.00
<b>Multi-Family Rental</b>	\$6,932,857.00
<b>Demo of Slum and Blight</b>	\$2,000,000.00

## 2. PURPOSE AND OBJECTIVES

The Purpose of the GCHAP is to utilize Community Development Block Grant Disaster Recovery (CDGB-DR) funds to provide housing assistance to eligible households affected by Hurricane Ike, which occurred on September 13, 2008. Funding is being provided by the U.S. Department of Housing and Urban Development (HUD) and is administered on the state level by the Texas General Land Office (GLO). Financial assistance will be provided as unsecured forgivable loans for the rehabilitation, reconstruction (includes demolition and elevation as required), new construction (includes demolition and elevation as required) of homes to be occupied by owner or tenant households who are low to moderate income as defined by 24 CFR Part 5. Funding is available for the demolition of vacant, deteriorated structures for the removal of spot slum and blight in high minority, high poverty, FEMA High Risk, and any areas in Galveston County deemed hazardous by Galveston County Nuisance Abatement Officer.

**The Program's primary objective** is to fulfill an unmet housing need to eligible applicants and quickly provide safe, sanitary, and secure housing by bringing existing Hurricane Ike affected housing units into compliance with applicable health and safety codes or replacing those existing structures that cannot be technically or economically repaired.

**Second Objective** is to ensure that the housing needs of very low, low and moderate-income households are assisted with housing in no less than the proportion to the relative percentages of the overall populations which suffered housing damage within the communities being served.

**Third Objective** is to prioritize the provision of decent, safe and sanitary housing for elderly and disabled populations with an emphasis on housing choice and design to reduce maintenance and insurance costs as well as provide for the provision of independent living options.

**Fourth Objective** is to provide an initial targeted outreach exclusively to persons located in FEMA High Risk areas (identified flood areas and storm surge areas); areas where the concentration of poverty is greater than 35% and areas where there are concentrations of racial or ethnic minorities greater than 65%.

Galveston County will administer its Disaster Recovery programs in accordance with these Galveston County General Program Guidelines, Galveston County Policies and Procedures, HUD CDBG-DR guidance, and GLO policy documents for Hurricane Ike Round 2.2. Galveston County reserves the right to adjust program priorities, and re-allocate program funds and program components (rehabilitation, reconstruction, demolition, etc.) if it becomes evident that doing so would better serve the affected communities and their residents.

### 3. DEFINITIONS

**Acquisition** – The utilization of CDBG funds to acquire real property. Acquisition-only is typically not considered a complete activity in the Program and must be combined with another eligible use (i.e. new construction).

**Area of High Minority Concentration** – A census block group that consists of 65% or more of minorities. Minorities include all racial and ethnic population groups other than “White, non- Hispanic (Anglo).

**Area of High Poverty Concentration** – A census block group that consists of 35% or more of the residents living in poverty. A household that meets the US Census Bureau’s poverty threshold is considered to be at or below poverty level for the Disaster Recovery Program.

**Cost Estimate** – Cost of construction items listed on Best and Final Offers (BAFO) requests. GCHAP will define these costs before request for Contractor BAFO and are used to compare average cost calculated from BAFOs received.

**Demolition** – Clearance and proper disposal of dilapidated buildings and improvements.

**Duplication of Benefits (DoB)** – 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 Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which he has already received financial assistance under any other program or from insurance or any other source. The state will allow for the most permissive current interpretation provided by HUD in determining Duplication of Benefits. GCHAP will use any subsequent guidance received from HUD including 71060 Federal Register / Vol. 76, No. 221.

**Eligibility Specialist** – GCHAP personnel that will be available to assist the applicant throughout intake, eligibility, and construction. The term compliance manager may be used interchangeably throughout these guidelines.

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

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

**GLO Construction Standards** – State of Texas Disaster Recovery Program Standards Ike and Dolly Round 2 Disaster Recovery Housing Standardized Minimum Construction Specifications.

**Housing Assistance Program (HAP)** –The utilization of CDBG DR funding to rehabilitate or reconstruct hurricane-damaged homes in order for the applicant to remain in the original home in substantially the same construction footprint as the original home. The home to be assisted must have been owner-occupied at the time of the storm. This activity may be utilized by a HOP-eligible applicant who defers relocation and elects to reconstruct and remain in the original home at the original home site. Estimate cost to repair will be compared to program caps and if the cost to rehabilitate the home is more than the cap, reconstruction or new construction will be the only option.

**Homeowner Opportunity Program (HOP)** – A Disaster Recovery Housing Program through which income-qualified applicants who live in FEMA-designated “High Risk” areas or areas of high minority and/or poverty concentration (as approved by GLO) may elect to rehabilitate or reconstruct their existing home or relocate to a safer and higher opportunity area. This program will involve relocation counseling and the provision of licensed real estate professionals to explain the options and choices available. (See Part B).

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

**Individual Mitigation Measures (IMM)** – Activities designed to mitigate and/or reduce risk beyond the pre-disaster condition of a housing unit when the activities are above and beyond federal, state, or local construction or code requirements. The State anticipates accessing additional funds for disaster activities under the Disaster Recovery Enhancement Fund (DREF) that must be matched by funding provided for IMM. In accordance with HUD's guidance, repair and rehabilitation of housing units, and the payment of flood insurance are not IMM activities. Examples of IMM activities include elevation above the base flood elevation level, or the addition of storm shutters, hurricane proof windows, roof straps, etc. as long as those improvements are not required to comply with local code requirements and did not exist on the housing unit prior to the storm damage.

**Low to Moderate Income (LMI) National Objective** – Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with 24 CFR Part 5 requirements using procedures as stated in the Technical Guide for Determining Income and Allowances, 3rd Edition (HUD-1780-CPD). GCHAP will use the most current income limits published by HUD to verify the income eligibility of each household applying for assistance at the time assistance is provided. The LMI economic subcategories of very low, low and moderate for the CDBG Program correspond to the economic subcategories of extremely low, very low and low as identified in the Conciliation Agreement and are defined as follows:

**Very low:** Households’ annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size

**Low:** Households annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size

**Moderate:** Households annual income is between 51% and 80% of the area median family income, 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 eight body-feet or more in width, or forty body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

**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. (*Modular Housing will not be offered in this program.*)

**Multifamily Rental** – Eight or more rental units in the property. Davis Bacon wage requirements apply to construction on CDBG-funded rental housing with eight or more rental units in a property.

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

**Program Area** - The area which includes unincorporated areas of Galveston County (excluding the City of Galveston) and includes Bayou Vista, Clear Lake Shores, Dickinson, Friendswood, Hitchcock, Jamaica Beach, Kemah, La Marque, League City, Santa Fe, Texas City, Freddiesville, San Leon, Bacliff, Crystal Beach, Gilchrist, Bolivar, Bayshore, and Tiki Island.

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

**Reconstruction** – Demolition and re-building of a stick-built or modular housing unit on the same lot in substantially the same footprint and manner. Reconstruction also includes replacing an existing substandard manufactured housing unit (MHU) with a new or standard MHU, or with a stick- built/modular housing unit. Final determination of the structure type is based on site conditions and municipal requirements; however, when possible the program prefers stick-built housing. The number of units on the lot may not increase and the total square footage of the original, principal residence structure to be reconstructed may not be substantially exceeded; however, the number of rooms in a unit may be increased or decreased based upon household size at the time of application and available funds.

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

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

**Single Family Rental** – Seven or less rental units under common ownership. Units may be on contiguous or scattered lots. Davis Bacon wage requirements apply to construction on CDBG- funded rental housing with eight or more rental units in the same property (not necessarily the same building) which are commonly-owned and operated as one rental, cooperative or condominium project. Scattered site rentals (rental properties not on an undivided lot or on contiguous lots or parcels) may exceed seven units without wage requirements.

**Slum and Blight National Objective** – Activities which help to eliminate slums and blighted conditions. GCHAP will accept applications for Voluntary participation where use of this National Objective is limited due to its inability to contribute towards the State of Texas overall requirement for 55% of Ike and Dolly Round 2 funding to benefit low to moderate - income beneficiaries. GCHAP will also participate in a Non-Voluntary Slum and Blight Program that will meet the National Objective to eliminate slums and blighted conditions.

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

## 4. TARGETING COMMUNITIES

The GCHAP determined all target areas should receive some consideration including primary, secondary, and tertiary target areas. Target areas are determined by the following criteria: 1) FEMA-Designated High Risk Area, 2) Area of High Minority Concentration (A census block group that consists of 65% or more of minorities), 3) Area of High Poverty Concentration (A census block group that consists of 35% or more of the residents living in poverty). Primary target areas meet all three criteria, secondary areas meet two of the three criteria, and tertiary areas meet one of the three criteria. Accordingly, the Needs Assessment identified a need for housing repair and reconstruction which is much greater than the available Round 2.2 funding. The GCHAP estimates that approximately 622 homeowners will be assisted with the available funds.

Funds will be allocated amongst the following income brackets in accordance to the Needs Assessment: Very Low Income, Low Income, and Moderate Income. GCHAP may re-allocate an additional amount of funds to households of the lowest income brackets as needed.

The GCHAP utilized the State of Texas Phase 1 Analysis of Impediments (AI) in conjunction with its Fair Housing Activity Statement to determine the type of housing activities that will be offered by the GCHAP. An affirmative marketing plan along with an Outreach Plan will be developed to conduct outreach to the impacted communities. The Outreach Program, as part of these General Guidelines, will be posted for 10 days for comment on <http://www.co.galveston.tx.us/HousingDept/index.htm> , which is a publicly accessible website. The final plan will be made public and will be provided to the General Land Office (GLO) the same day the information is added to the website. Public comments made will be addressed prior to implementation of the plan.

## 5. AFFIRMATIVE MARKETING PLAN

### 5.1 PURPOSE, GOAL, AND FOCUS

The Galveston County Housing Assistance Program (GCHAP) is committed to affirmatively furthering fair housing through established affirmative marketing policies that will reach out to the largest representation of people possible. The purpose of this Affirmative Marketing Plan is to outline the policies and procedures for affirmatively marketing the Program's housing activities and to provide notice to a broad array of participants to allow for fair housing choice throughout our community.

The goal is to ensure that community residents are provided the opportunity to make housing choices without regard to race, color, religion, sex, national origin, disability and familial status. Specifically in the homeowner programs the GCHAP will provide eligible persons from the populations least likely to apply the opportunity to buy and/or rent the unit of their choice, or to rehabilitate their primary residence, which sustained damages due to Hurricane Ike and/or its after-effects. In rental programs, the GCHAP will seek options for housing that include high opportunity residences.

The focus of the Program is to fulfill an unmet housing need to eligible applicants and quickly provide safe, sanitary, and secure housing by bringing existing Hurricane Ike affected housing units into compliance with applicable health and safety codes or replacing those existing structures that cannot be technically or economically repaired.

### 5.2 HOMEOWNER OPPORTUNITY PROGRAM (HOP)

An activity for the GCHAP is the HOP. For HOP, there is a special outreach plan specific to that program. The HOP outreach takes a different approach from prior programs in that targeted areas have been designated that allow the GCHAP to reach those persons who were identified by the Conciliation Agreement as often left out of recovery programs. These targeted areas have characteristics that require personal contact and an ability to provide door-to-door outreach and one-to-one counseling.

Outreach organizations experienced in the community (public and/or non-profit) will disseminate information as they go into these targeted areas which will include detailed flyers and door hangers that provide local residents with information to inform the impacted communities about Program and eligibility options. All printed materials will be offered in English and other languages prevailing in the region.

The GCHAP area includes unincorporated areas of Galveston County (excluding the City of Galveston) and includes Bayou Vista, Clear Lake Shores, Dickinson, Friendswood, Hitchcock, Jamaica Beach, Kemah, La Marque, League City, Santa Fe, Texas City, Freddiesville, San Leon, Bacliff, Crystal Beach, Gilchrist, Bolivar, Bayshore, and Tiki Island.

For the purposes of the HOP, the eligible area for relocation of GCHAP applicants includes the non-HOP areas in the participating member counties of the Houston-Galveston Area Council (HGAC).

### 5.3 GENERAL OUTREACH

Most of the funds in housing are dedicated to the rehabilitation, reconstruction or voluntary relocation of single family homeowners. A single family rental program will also be open for the public. The public will be notified for the rental programs as available through a broad distribution. The Program is committed to affirmatively furthering fair housing through established affirmative marketing policies.

For single family homeowners, after the targeted outreach, if the necessary number of potentially eligible applicants has not been obtained, and with GLO approval, the GCHAP will begin General Outreach.

### 5.4 TECHNICAL ASSISTANCE TO APPLICANTS

Technical assistance will be provided to applicants during all phases of the Program, including outreach, application intake, eligibility, construction and/or relocation.

### 5.5 DURING OUTREACH

While conducting door to door outreach in targeted areas public and/or non-profit organizations will:

- Collect general contact information from potential applicants
- Provide a general overview of Program options
- Encourage potential applicants to apply for assistance under the Program
- Provide potential applicants information on how to apply

### 5.6 DURING INTAKE, ELIGIBILITY, CONSTRUCTION

Using the contact information provided by the applicant during Targeted Outreach, an Eligibility Specialist will contact the applicant to schedule a Personal Consultation (PC). At the time of the PC the Eligibility Specialist will work with the applicant to complete the Program application and collect any documentation required to support eligibility. The assigned Eligibility Specialist will be available to assist the applicant throughout intake, eligibility and construction.

During the scheduled PC, all HOP eligible applicants will be introduced to a Mobility Counselor. The Mobility Counselor will detail the options that are available to the applicant through the HOP Program. The assigned Mobility Counselor will also be available to assist the potential HOP applicant throughout intake and eligibility. The Eligibility Specialist and the Mobility Counselor will continue to communicate about the applicant's preferences and their eligibility throughout the program to ensure a seamless HOP applicant experience.

## 5.7 PROJECT MANAGEMENT

The GCHAP in conjunction with its grant administrator will manage the program in accordance with all Round 2 Guidelines and the Conciliation Agreement. The grant administrator will provide training, technical assistance for intake, oversight for outreach, and execution of construction management.

## 5.8 REPORTING REQUIREMENTS

Compliance will be maintained in accordance with the reporting requirements under GLO's CDBG Disaster Recovery Program. This includes all information and reports as required under the GLO contract with Galveston County and demographic data and other information on applicants and awardees processed by the County as required by the Conciliation Agreement.

Using data collected from the GCHAP and the grant administrator the following areas will be reported on as required.

- Goals and compliance with Section 3 as required by 24 CFR Part 135
- Data relevant to Affirmatively Furthering Fair Housing and Civil Rights compliance as required by the Conciliation Agreement
- For program activities that require a direct application by an individual the following areas will be reported on:
  - Applicant household's income
  - Household's income as a percentage of area median family income as defined by HUD
  - The race and ethnicity of the head of household
  - The household's familial status
  - The presence or non-presence of a household member with a disability

For activities providing housing or housing assistance that is not directly linked to a specific beneficiary:

- The cost of the housing unit to the applicant and to the occupant
- The maximum qualifying household income as a percentage of area median family income as defined by HUD
- Restrictions regarding the age or familial status of occupants
- The presence or absence of designs or services that make the housing unit accessible to an individual with a disability and the number of fully accessible units

The GCHAP will submit the reports above to the GLO in accordance with timelines to be determined by the GLO.

## 5.9 PROJECT REVIEW

The GCHAP will evaluate outreach activities and applications received to ensure that outreach successfully affirmatively furthers fair housing on an ongoing basis. Galveston County will also compare the applications received to the socio-economic and demographic community profiles identified in the Needs Assessment.

Additionally, evaluations of outreach will also be conducted to determine if single family applications are being received from a diverse population and ranges of income to ensure low/moderate income households are assisted in a proportion to the percentage of overall populations.

These evaluations will be an ongoing process and begin no later than one month after application intake begins. The GCHAP will work with the outreach organization to refine target areas and application intake to ensure that the application pool accurately reflects the needs identified in the Needs Assessment. Outreach and Intake evaluation reports will be available for the GLO to review before the GCHAP begins qualifying applicants, and periodically thereafter.

In addition, the general outreach for rental programs will be monitored to make certain that sufficient applications are received in diverse areas that promote affirmatively furthering fair housing.

## 5.10 RENTAL APPLICANT AFFIRMATIVE MARKETING PLAN

GCHAP Rental programs will develop an Affirmative Marketing Plan for each development receiving CDBG Disaster Recovery funding. The plan, pursuant to federal regulations, will outline strategies to inform the public about the housing opportunities, requirements/practices that the owner must adhere to in executing the Affirmative Marketing Plan, procedures that will be followed in soliciting applications, followed by a description of records that will be maintained and made available for review.

An Affirmative Marketing Plan, based on the U.S. Department of Housing and Urban Development (HUD) regulations, will be submitted to GLO for approval. The plan will outline the policies and procedures for housing activities. Procedures are established to affirmatively market units financed through the Program. The procedures cover dissemination of information, technical assistance to applicants, project management, reporting requirements, and project review.

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

## 6. PROCESSING APPLICATIONS

An Outreach Plan, which defines the process of collecting Outreach Forms, will be implemented to collect information from potential applicants in defined target areas. GCHAP may review applicants from Round 1 if they are within the designated targeted areas. Persons who have applied under Round 1 will not have a claim of priority to be included in the Round 2 program. All potential applications will be reviewed for eligibility determination under the new program guidelines and may be eligible for the HOP.

The GCHAP will comply with GLO requirement that outreach be exhausted within the targeted areas prior to conducting general outreach. To that end, the GCHAP has created an implementation methodology that utilizes a very specific, personal assistance model based upon conducting door to door outreach within target areas in order to identify potential applicants for both HOP and applicants who wish to reconstruct or repair their homes without relocating.

## 6.1 ROUND 1 APPLICANTS

The GCHAP will review existing address data from un-served Round 1 applicants and will determine if any applicants are located in the target areas identified in the Needs Assessment. A Round 1 applicant is considered to be a homeowner who substantially completed the documentation requirements for eligibility review. The GCHAP will make every effort to contact these applicants to offer assistance to complete the Round 2.2 application and provide eligibility documentation in order to move them through the Round 2.2 application/eligibility process at which point in time eligibility determinations will be made. It is the County's intent to immediately contact these identified HOP-eligible applicants to assist them with the submittal of a Round 2.2 application and eligibility documentation for Round 2.2 funds and to move them through the program eligibility process.

**Application processing priority will be given to households with members who are elderly (62 and over) and/or disabled.**

All information related to program eligibility, including, but not limited to income, assets, liabilities, property ownership, site location, Hurricane Ike damages, Duplication of Benefits, and Allowable Activities, will be verified in accordance with GLO Disaster Recovery program requirements. The GCHAP shall be responsible for determining the eligibility of each applicant. The GCHAP shall notify all applicants in writing of their eligibility/ineligibility status.

Applicants will be given a reasonable time frame (35 days) to provide all application documents. Deadlines for returning requested and required documents will be clearly noted on application packages. The Program Director reserves the right to examine this requirement on a case by case basis.

The GCHAP shall be the sole arbiter of the applicant's eligibility and the feasibility of any activity provided under the program. Program-specific application processes and application priorities will be outlined in the Program Guidelines for each specific Disaster Recovery Program.

## 7. ELIGIBILITY REQUIREMENTS

Applicants shall provide complete and accurate information regarding their household composition, household income, and housing situation. Failure to disclose accurate and complete information which may affect eligibility requirements may be referred to the GLO for further action.

The following are threshold requirements, which must be met for an applicant to be eligible for assistance under the non-rental single family housing program.

Eligibility does not guarantee assistance, since a prioritization strategy within LMI economic subgroups will be required and it is expected that there will be more eligible applicants than can be served with available funds.

### 7.1 UNMET NEED

The program is not intended to serve applicants who currently own other viable housing options that are currently unoccupied. Applicants who own other property must provide an explanation in support of their continued need for assistance, which will be reviewed and confirmed by the GCHAP before the application is allowed to continue.

## 7.2 HURRICANE IKE DAMAGE

The property must have been damaged by Hurricane Ike and the applicant has not been able to fully repair, or rebuild since the storm. Verification of Hurricane Ike damage may be in the form of one of the following—due to the length of time and subsequent storms, it may be difficult to attribute Hurricane Ike damage to the current condition of the property. In these cases, an inspection report is the preferred verification method:

- FEMA Claim Letter for Housing Repair
- SBA Loan for Structure for Ike recovery
- Insurance Claim paid for structure
- Inspection report in the event that the above-referenced documentation is not available, an inspection report (complete with photos of the damage and a written assessment of the damage) from a damage assessment conducted by a qualified inspector supplied by the GCHAP that certifies that the damage occurred as a result of the hurricane will be acceptable.
- Other equivalent documentation as determined by the Director of the Galveston County Housing Department

## 7.3 PRINCIPLE RESIDENCE

All applicants must have occupied the damaged home as their principal residence on September 13, 2008. Principal residency is verified through homestead exemption at the time of the storm and must be the only property for which the applicant has a homestead exemption.

If homestead exemption documentation cannot be provided, applicants will provide an “Affidavit of Principal Residency” form with one of the following supporting documentation dated at the time of storm:

- Utility Statement
- FEMA award or report
- Texas Drivers License
- Voters Registration
- Other documentation that may be reviewed and deemed acceptable by GLO

## 7.4 OWNERSHIP

All applicants must have had ownership interest in the property on September 13, 2008 and currently own the property. Ownership is verified through a warranty deed or fee simple title.

If a deed or title cannot be provided, applicants will provide a “HB2450 Affidavit”. Completion of the affidavit certifies one of the following apply:

- No other person has the rights to claim ownership to the property; or
- Any person who has a right to claim ownership to the property has agreed to participate in the program; or
- Reasonable attempts have been made to any person who could not be located who has a right to claim ownership to the property.

Alternative documentation may also include one of the following:

- Tax receipts at the time of the storm
- Utility statements at the time of the storm
- Life Estate, transferred upon the death of another (death certificate required)
- Probated Will\Court Order\judgment (if ownership transferred by death, death certificate required)
- Divorce Decree (if ownership was obtained consequent to divorce)
- Affidavit of Heirship filed with the Appraisal District\County Clerk Office
- Letter\receipt of sale\contract for Deed in a private owner sale, county recorded.
- Other documentation that may be reviewed and deemed to acceptable by Galveston County Housing Director.

## 7.5 LOCATION

The property must be located within GCHAP's region (Galveston County except within the City of Galveston's city limits).

## 7.6 TYPE OF STRUCTURE

The property must be a stick built home, Modular Home, or Mobile Home Unit. If the damaged property is anything other than these structure types listed above, an exception can be made if the applicant can meet the following requirements:

- Structure must have been connected to utilities as of September 13, 2008 and utilities in the name of the Applicant or Co-Applicant
- Structure is generally fixed in a permanent location. If structure found to be mobile, the inspector will flag the file for further investigation.
- Structure was not used for recreational purposes.
- The applicant and/or co-applicant must have owned the land upon which the damaged structure was located on September 13, 2008.
- If the owner did not own the land on which the structure was located, the applicant must provide GCHAP approved documentation.

## 7.7 INCOME

All applicants must meet income eligibility criteria in order to be eligible for assistance. In order to meet this eligibility requirement, applicants must be low to moderate income with a total household annual gross income that does not exceed the 80% Area Median Family Income (AMFI), adjusted for family size, as published annually by HUD.

## 7.8 PROPERTY TAXES

All HAP applicants must be current on property taxes for the property or have a deferral. If the applicant has an outstanding property tax liability, they may meet this eligibility requirement only if they have entered or agreed in writing to enter into a payment plan with the local taxing authority.

HOP eligible applicants must be current on all property taxes for the damaged property. Applicants must also provide evidence to support that property taxes are current in order to participate in HOP. Applicants

may elect to participate in a tax payment plan, but payment plan participants may only repair or reconstruct their disaster-affected home, and will not be eligible to participate in HOP.

## 7.9 CHILD SUPPORT

All applicants and/or co-applicants must be current on child support payments. If an applicant and/or co-applicant is not current on child support payments, he/she must enter a payment agreement and provide documentation.

## 7.10 MORTGAGES AND OTHER FINANCIAL OBLIGATIONS

The program requires applicants to disclose any circumstances for which ownership may be affected or a lien can be placed on the home. Applicant and /or co-applicant must not be in an active foreclosure and must be current on any Homeowner Association Dues. Applicant must pay any lien obligations in order to participate in HOP.

## 8. DUPLICATION OF BENEFITS

Eligible applicants may have previously received assistance from other sources. Under the requirements of “The Robert T. Stafford Disaster Assistance and Emergency Relief Act” (42 U.S.C. 5121, et seq.), as interpreted and applied by HUD, the General Land Office must take into account certain aid received by applicants in determining the amount of assistance which can be granted. The following are sources of funding assistance provided for structural damage and loss that are considered duplication of benefits, DOB, and under federal law must be deducted from the assistance provided:

1. FEMA Individual Assistance for Structure (IA);
2. FEMA National Flood Insurance Program (NFIP);
3. Private Insurance;
4. Increased Cost of Compliance (ICC);
5. Small Business Administration (SBA); and,
6. Any other funding source that may duplicate assistance.

Funds received from any source including flood insurance, FEMA, and hazard insurance that were used to cover repair to the applicant’s home do not reduce the amount of disaster assistance if the evidence of expenditures at least equals the amount of assistance provided from the source. Documentation must be provided demonstrating the cost and type of repair conducted. The GLO Duplication of Benefit forms will be used in order to document Duplication of Benefits. The value of the cost of the repair will be confirmed by a third party inspector.

### 8.1 FEMA INDIVIDUAL ASSISTANCE (FEMA IA)

FEMA IA will be determined and verified by HBAP through the FEMA database. If an applicant is able to provide documentation demonstrating that the FEMA IA amount provided by the FEMA database includes non-structural related amounts, HBAP will use the documentation provided by the applicant to adjust the FEMA IA payout amount. The documentation provided by the applicant must come from FEMA unless the General Land Office approves the use of affidavits that are self certified by the applicant which details the dollar amount of previous assistance.

### 8.2 FEMA NATIONAL FLOOD INSURANCE PROGRAM (NFIP)

Any payments for loss to the dwellings during Hurricane Ike under NFIP insurance policies may be deducted from the amount the applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant’s award. GCHAP will verify payments by reviewing FEMA claim information provided by the Texas General Land Office or by providing a request for verification to FEMA. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the FEMA database includes items not related to the structural loss, GCHAP will use the documentation provided by the applicant to adjust the insurance payout. The documentation provided by the applicant must come from the insurance company unless the General Land Office approves the use of affidavits that are self certified by the applicant and details the dollar amount of the funds received.

### 8.3 INCREASED COST OF COMPLIANCE (ICC)

The program will determine duplication of benefits regarding ICC funds for elevation and/or demolition activities. If GCHAP is unable to determine the amount/or purpose of the ICC proceeds, GCHAP will use

documentation provided by the applicant unless the General Land Office approves the use of applicant certified affidavits which details the dollar amount of the activity that is considered a DoB.

## 8.4 PRIVATE INSURANCE AND WIND INSURANCE

All private insurance settlement amounts for loss to dwellings are considered a duplication of benefits and may reduce the amount of disaster assistance. Private insurance payments for contents or other expenses such as fences, storage sheds, etc., are not deducted from the applicant's award.

Insurance proceeds are determined and verified by GCHAP by contacting the insurance company and verifying proceeds. If GCHAP is unable to verify the private insurance proceeds through the insurance company, GCHAP will use the claims payout provided by the applicant. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the insurance company includes items not covered in the home evaluation or not paid to cover structural loss, GCHAP will use the documentation provided by the applicant to adjust the private insurance payout. Mold remediation is not included in the home evaluation. Therefore, insurance payments to cover mold remediation are not deducted from an applicant's funding assistance award. The documentation provided by the applicant must come from the insurance company unless the General Land Office approves the use of affidavits that are self certified by the applicant and details the dollar amount of the funds received.

## 8.5 THE SMALL BUSINESS ADMINISTRATION (SBA)

If the SBA has approved loan funds, the assistance is considered a duplication of benefit, and the amount of the loan may be deducted from the disaster assistance award. SBA will be determined and verified by GCHAP through the SBA database. If GCHAP is unable to verify the SBA qualifying loan amount through the SBA database, GCHAP will use the qualified loan amount provided by the applicant at the time of application. If an applicant is able to provide documentation demonstrating that the SBA amount provided by the SBA database includes amounts not loaned to cover structural loss, GCHAP will use the documentation provided by the applicant to adjust the SBA loan amount. The documentation provided by the applicant must come from SBA unless the General Land Office approves the use of applicant certified affidavits which details the amount of the SBA loan.

## 8.6 COST OF REPAIRS

The Program will be able to deduct from the Applicants' duplication of benefits items such as insurance, SBA, and FEMA amounts spent to repair their home due to damage by Hurricane Ike. Copies of all receipts that support repairs to the home must be provided to the program to document eligible expenditures. The applicant will be required to document repairs made to the home. GCHAP will accept self-certifications when calculating the amount of repairs if the applicant lacks receipts to document all or part of the cost of repairs. For self-certification, the following requirements apply:

- a. The applicant must provide a signed self-certified statement that documents, in detail, all labor and or repairs made to the damaged property following the hurricane
  - i. Self labor costs will not be considered when determining eligible expenditures
- b. A program inspector must determine with reasonable assurance that the repairs were made after the date of the hurricane
- c. Documentation, through photographs, that the repairs were made

## 8.7 CONTRACTOR FRAUD

If an applicant was a victim of contractor fraud, the amount paid to the contractor is not to be counted as a duplication of benefits provided the applicant filed a police report before the date of the application.

## 8.8 FORCED MORTGAGE PAYOFF

If an applicant's mortgage company placed a force payment on insurance proceeds, the insurance amount may not count as a duplication of benefits. In such cases, the amount verified by GCHAP that was used for this purpose can be included in the DoB calculation if it is supported by a letter that is on company letterhead and signed by an authorized representative stating the applicant was required to use their disaster assistance funds for this purpose. In the event, the mortgage contract stipulates that any insurance pay out must be obligated to the principal of the loan this shall constitute as a forced mortgage payoff, copy of contract will be retained in the file.

## 8.9 LEGAL FEES

Legal fees that were paid in successfully obtaining insurance proceeds will be credited to the applicant and will not be deducted as part of their duplication of benefits. Applicants will need to provide evidence of payment and self-certify in accordance with GCHAP policy in order to be credited. Applicant will be required to provide evidence of payment.

## 8.10 TAX FILINGS

Personal Income Tax filings related to losses to the home do not affect funding assistance awards and are not considered duplication of benefits. Applicants should consult their personal tax consultant to seek guidance regarding any tax related matters.

## 8.11 CALCULATING THE AMOUNT OF ASSISTANCE

Documented expenses for home repair related to Hurricane Ike will be totaled and credited to the applicant. The cost of interim housing (rent, hotel payments, RV Purchase, motor home purchase, travel trailer purchase) while the damaged home was unlivable can be deducted from the DOB amount if related to a FEMA award. Acceptable forms of documentation include:

- a. Copies of all receipts that support repairs to the home;
- b. Self-Certification statement that details home repair expenses and labor;
- c. Police reports, filed prior to application, that verify contractor fraud;
- d. Invoices confirming legal fees associated with insurance proceed collection; and
- e. Letter from the applicant's Mortgage Company or bank confirming a forced mortgage payoff, pay down, or mortgage contract confirming a forced mortgage payoff and/or pay down.

In instances where home repair receipts do not fully account for the funds received, GCHAP will evaluate the repairs documented in the Self-Certification of Repairs and determine the value of the hurricane related repairs performed. Self-certified statements, including detailed explanation of why receipts were not provided must be reviewed in detail by GCHAP to determine:

- a. Whether the home was repaired up to code;
- b. Whether the repairs could be reasonably determined as occurring after the hurricane
- c. A reasonable value of the cost of repairs to the home (including possible labor)

The documentation provided by the applicant and the value assigned by GCHAP, as required, will be totaled and compared to the benefits received for Hurricane Ike home repairs.

## 9.0 UNIT SIZE

The CDBG Disaster Recovery Program guidelines are used to determine the number of bedrooms for a reconstructed home. Standards are based on the following factors. A waiver may be approved as outlined in the section on Issuance Size Exceptions.

- No more than two persons are required to occupy a bedroom.
- Persons of different generations (i.e. grandparents, parents, children), persons of the opposite sex (other than spouses/couples), and unrelated adults are not required to share a bedroom. An adult is a person 18 years old or older.
- Couples living as husband and wife (whether or not legally married) must share the same bedroom for issuance size purposes.
- A live-in aide who is not a member of the family is not required to share a bedroom with another member of the household. Note: The need for a full time live-in aide must be documented.

**TABLE 2- UNIT SIZE BASED ON OCCUPANTS**

<b>1 Bedroom - No CDBG DR built home will be only 1 Bedroom.</b>
2 Bedroom
Adult/couple
Adult/couple plus 1 child
Adult/couple plus 2 children of same sex
3 Bedroom
Adult/couple plus 2 children of opposite sex
Adult/couple plus 3 children
Adult/couple plus 4 children (2 boys and 2 girls)
Adult/couple with medical needs plus 1 child
Adult/couple with medical needs plus 2 children of same sex
4 Bedroom
Adult/couple plus 4 or 5 children (3 of same sex)
Adult/couple with medical needs plus 2 children of opposite sex
Adult/couple with medical needs plus 3 children

Individual medical problems (e.g. chronic illness) sometimes require separate bedrooms for household members who would otherwise be required to share a bedroom. Documentation supporting the larger sized unit and related subsidy must be provided and verified as valid.

In most instances, a bedroom is not provided for a family member who will be absent most of the time, such as a member who is away in the military. If individual circumstances warrant special consideration, a waiver may be approved as outlined in the section on Issuance Size Exceptions.

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

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

## 9.1 ISSUANCE SIZE EXCEPTIONS

The GCHAP may consider applicant requests for exceptions to unit size determinations on a case-by-case basis. Waivers may be granted based on the following:

- Chronic Illness – An individual with an ongoing health problem who requires full time assistance of a certified professional care provider on a regular basis. Form 14.27 - Verification of Disability / Special Needs is required.
- Pending Child Custody cases – Includes, but is not limited to, children in foster care who may be returning home, foster children, pending adoptions, etc.
- Parental Custody Situations – children physically occupy the unit less than 50% of the time as documented by a divorce decree and/or self-certification.
- GCHAP reserves the right to allow waivers for other individual circumstances.

## 10. ASSISTANCE TYPES AND MAXIMUM FUNDING LEVELS

Financial assistance will be provided in the form of unsecured forgivable loans to Program Eligible Households which sustained damage as a result of Hurricane Ike. Housing assistance available under the CDBG Disaster Recovery Program are:

- Rehabilitation
- Reconstruction/New Construction
- Demolition (for the objective of removing spot slum and blight)
- Elevation (elevation is available only as part of an approved reconstruction or new construction project)
- Homeowner Opportunity Program (HOP)

The specific type of assistance for which an applicant is eligible will be based on the estimated cost to repair the home to program construction standards and considering maximum funding levels. When building or improving on cleared property, clearance activities may be treated as part of the construction costs and will not need to be qualified separately under the program.

Maximum funding by project type is as follows and includes all construction and non-construction related costs to complete the project.

**TABLE 3 - MAXIMUM FUNDING LEVEL BY PROJECT TYPE**

<b>Project Type</b>	<b>Maximum Funding Level (per application)</b>
<b>Rehabilitation</b>	\$65,000
<b>Reconstruction/New Construction</b>	\$153,000
<b>Demolition (spot slum and blight)</b>	\$10,000
<b>Pre-Existing Home Purchase (for the purpose of HOP relocation)</b>	\$140,000
<b>Maximum funding for ancillary items as required:</b>	
<b>Coastal Elevation</b>	\$60,000
<b>Non-coastal Elevation</b>	\$35,000
<b>Accessibility</b>	\$20,000
<b>Water Well</b>	\$30,000
<b>Septic System</b>	\$25,000
<b>Abatement</b>	\$20,000
<b>Vacant Land Acquisition (for the purpose of HOP relocation)</b>	\$35,000
<b>Services</b>	\$15,000

\*\*\*Please note that the "Services" in the above table are at the discretion of the Program.\*\*\*

## 11.0 ENVIRONMENTAL REVIEW

An Environmental Review Record (ERR) will be performed. The proposed project activities require an Environmental Assessment (EA) level of review per HUD Regulations at 24 CFR Part 58.40 Subpart E unless otherwise described. Where appropriate, the ERR will be tiered in accordance with the U.S. Department of Housing and Urban Development's (HUD) regulations at 24 CFR Part 58.15. A tiered approach allows the environmental review and analysis to be streamlined by evaluating impacts of functionally and geographically aggregated activities. The tiered ERR will consist of a broad review (including a written strategy), and site-specific reviews. The ERR for multifamily housing with five or more dwelling units will also include a Phase I Environmental Site Assessment in general accordance with the scope and limitations of ASTM Practice E 1527-05 and 40 Code of Federal Regulations 312 "All Appropriate Inquiry". For an activity determined to be exempt according to 24 CFR 58.34 or Categorically Excluded Activities Not Subject to the Section 58.5 statutes [24 CFR 58.35(b), the ERR will consist only of documentation of compliance with the Statutes and Regulations listed at 24 CFR 58.6 (Floodplain Disaster Protection Act, Coastal Barriers Resources Act, Airport Runway Clear zone or Clear Zone Disclosure).

The ERR is a separate and distinct review from any other review. Other previously performed (or applicant-provided) environmental reviews will not satisfy the Program's requirements. All identified environmental concerns/clearance requirements must be mitigated in order for the applicant to receive assistance the Program.

### 11.1 BROAD REVIEW

An initial broad environmental review will be conducted at the programmatic level relative to the proposed activities and environmental compliance factors in the target area (Galveston County excluding City of Galveston). This broad analysis helps eliminate unnecessary and repetitive evaluation of certain compliance factors during site/activity review once individual activity sites are identified and evaluated. The broad review will evaluate proposed activity impacts in an aggregated way as determined by the potential for impacts relative to the nature of the protected or regulated resource or environmental standard. The broad environmental review will address the Laws and Authorities on HUD's Statutory Checklist (24 CFR Part 58.5) and other requirements outlined in 24 CFR Part 58.6, and will also include the National Environmental Policy Act (NEPA) Environmental Checklist. A written strategy and a Site Specific Compliance Documentation Checklist for site specific review will be developed.

The following compliance factors will be addressed in the broad review:

- Coastal Zone Management
- Sole Source Aquifers
- Wild and Scenic Rivers
- Air Quality
- Farmland Protection
- Environmental Justice
- Land Development
- Socioeconomic Factors
- Community Facilities and Services
- Natural Features

### 11.2 SITE SPECIFIC REVIEW

In several areas, it is anticipated that the broad review will result in compliance or consistency findings for the HUD defined environmental review topics, and no further environmental review of those topics at a site specific level will be necessary. Because impact findings cannot be made for all factors in the broad review, a site specific environmental review will be conducted for each activity to address all other site-specific compliance factors, which are:

- [Historic Properties](#)
- [Floodplain Management](#)
- [Wetland Protection](#)
- [Endangered Species](#)
- [Noise Control and Abatement](#)
- [Explosive and Flammable Operations](#)
- [Airport Hazards \(Runway Clear Zones and Clear Zones/Accident Potential Zones\)](#)
- [Contamination and Toxic Substances](#)
- [Coastal Barriers Resources](#)

The Site Specific Review will include four potential steps:

**Step 1 – Initial Review:** An environmental assessor will review the applicable property data including the date of construction, tax card information, damage estimates, description of work required, environmental site visit documentation, site observations and photographs, relevant environmental data from coordinating agencies, and GIS Information. If the applicant's home meets the prescribed criteria and no environmental issues are identified, the environmental review will be concluded. However, if a potential environmental issue is identified further investigation will be performed.

**Step 2 – Issue Analysis:** If the Initial Review reveals a potential environmental issue, further analysis will be required. This analysis may require follow-up site visits or additional research. A program counselor will schedule required follow-up visits in order to perform the necessary analysis. Applicants will be notified if they are required to be present for these follow-up visits.

**Step 3 – Issue Mitigation:** Any issue that cannot be cleared through Issue Analysis will need to be mitigated either before or during Program construction. The Program may pay for mitigation of issues identified during the environmental review if it is deemed an eligible activity. Applicants will receive all federally required notifications as well.

**Step 4 – Mitigation Monitoring and Clearance:** Depending on the mitigation required for an individual home, several tasks are possible: approval of mitigation plan, monitoring of mitigation tasks, mitigation progress inspections, and mitigation clearance.

## 11.3 SITE SPECIFIC MITIGATION

The GCHAP will make every effort to resolve environmental issues at the site specific level; however, if the issue cannot be mitigated in a feasible manner or reconstruction is prohibited by local building code, the program will work closely with county and local building officials to determine an alternative course of action. Alternatives may include: property exchange with the municipality, purchase of a lot suitable for reconstruction, or purchase a new home elsewhere in the same city. If an acceptable solution cannot be reached, the applicant will not be eligible for the program.

## 12.1 SINGLE-FAMILY HOUSING PROGRAM BUILDER PROCUREMENT

The Texas General Land Office (GLO) indicated in the [Builder Assignment Method Guideline](#), dated July 16, 2012, “[Each] subrecipient has the option of either utilizing a list of builders whom have been prequalified by the GLO (Option 1) or to prepare a RFQ and qualify builders on their own to bid on the construction of housing units in their jurisdiction (Option 2).” The GCHAP will exercise Option 1 in order to select contractors to participate in its Hurricane Ike Round 2.2 Single-Family Housing Program.

The GCHAP Rental Program is comprised of two parts—Single Family Rental, and Multi-family. The Single Family Rental program is designed to rehabilitate, reconstruct or perform new construction of single-family housing structures of fewer than eight rental units under common ownership. Units may be on contiguous or scattered lots. Whereas, the Multi-family Rental program will result in the rehabilitation, reconstruction, or new construction of one or more housing structures.

### 12.1.1 SINGLE-FAMILY RENTAL

Because of the significant similarities in environmental and construction standards between the Single Family Non-Rental Housing and Single Family Rental programs, the County will not procure a separate pool of contractors for the Single Family Rental program. Instead, assignments for Single Family Rental projects will be made to the same pool of contractors.

### 12.1.2 MULTI-FAMILY RENTAL

The County will notify the public and solicit proposals from firms to design and complete one or more projects making use of the \$6,932,857.00 available to address the need for affordable rental housing. The GCHAP will implement a procurement process consistent with all federal, state and local requirements to identify the project or projects that provide the greatest benefit to the County. The procurement process will consist of the following steps:

1. Publish Notification of Funding Availability
2. Conduct a pre-proposal meeting
3. Publish a request for proposals
4. Evaluate proposals and select the project(s) deemed to provide the greatest benefit to the County

## 13. SITE AND DEVELOPMENT RESTRICTIONS

Housing that is constructed or rehabilitated with CDBG funds must meet universal design features in new construction established by Sec. 2306.514, Texas Government code, local health and safety codes, energy standards as verified by RESCHECK certification, and International Residential Code (IRC) (with windstorm provisions), elevation requirements, and International Building Code (IBC) and guided by [The State of Texas Disaster Recovery Program Ike and Dolly Round 2 Disaster Recovery Housing Standardized Minimum Construction Specifications](#) (GLO Construction Standards).

In order to avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a CDBG-assisted property, the GCHAP may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials

All other CDBG-assisted housing (e.g. relocation) shall meet all applicable State and local housing quality standards and code requirements, and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401. All multifamily rehabilitation developments are subject to a Uniform Physical Condition Standards inspection. All deficiencies identified in that inspection must be corrected before final retainage is released.

Housing developments must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C 794). Multifamily housing developments shall meet the design and construction requirements at the Texas Administrative Code, Title 10, Chapter 60, Subchapter (B) 10 TAC 60.201-211). Covered multifamily dwellings, as defined at 24 CFR 100.201 as well as common use facilities in developments with covered dwellings must meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C3601-3619) and the design and construction requirements of the Fair Housing Act Design Manual. A compliance certificate will be required after the development is completed from an inspector, architect, or accessibility specialist. Any developments designed as single family structures must also satisfy the requirements of 2306.514 of the Texas Government Code.

**Where municipal ordinances prohibit reconstruction or rehabilitation activities, the program will work closely with county and local building officials to determine an alternative course of action.**

All Applications will be required to meet Section 8 Housing Quality Standards detailed under 24 CFR 982.401, Texas Minimum Construction Standards, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973. Developments must also meet all local building codes or standards that may apply.

## 14. CONSTRUCTION STANDARDS

All reconstructed and newly constructed housing units must comply with Universal Design features; accessibility standards as established by Texas Government Code §2306.514; construction standards identified in the applicable International Residential Code (IRC); TDI windstorm provisions; and energy standards verified by RESCHECK certification. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials. Where a conflict arises in the codes, the higher most stringent standard will prevail.

Rehabilitation standards include conformance with local building codes, standards, ordinances, Texas Windstorm Insurance Association requirements, local health and safety codes, HUD's Housing Quality Standards, and GLO Construction Standards.

Projects that are eligible for demolition only, due to slum and blighted conditions will be completed in accordance with – DEMOLITION OF SLUM AND BLIGHT PROGRAM GUIDELINES.

The GCHAP shall make every effort to ensure that structures served by the Program supplements the structurally sound housing stock in the area served and that the housing is of fitting design and quality so as to improve the neighborhood in which they are completed.

In special cases and only when existing conditions would mean that replacing a housing unit on the original damaged property site is not feasible due to insufficient lot size, zoning restrictions, or would continue or exacerbate an unsafe condition; homeowners may be given assistance to acquire or newly construct a housing unit on an alternate site within Galveston County. Examples of unsafe conditions shall include, but not be limited to, housing located in a special flood hazard area, unsafe soil conditions, environmental hazards that cannot be mitigated, or other conditions that cannot be changed and would

continually put occupants in harm's way. The GCHAP retains the sole right to determine the eligibility of these special cases.

The Program Standard Home shall be of the following square footages:

- 2 Bedroom/ 2 Bath home 1,200 min. – 1,330 max. SF
- 3 Bedroom/ 2 Bath home 1,350 min. – 1,425 max. SF
- 4 Bedroom/ 2 Bath home 1,450 min. – 1,500 max. SF

In addition to the meeting the Program's minimum construction and code standards and specifications, the Program Standard Home shall include the following amenities, subject to allowable funding caps and project site plans: (amenities may be altered in cases where a duplication of benefits has occurred or conflict with municipal requirements)

- One Bath (Master Bath preferred) – UFAS accessible clear floor space and suitable for installation of accessible bathtub or shower, grab bars, and toilet
- Siding - Fiber cement lap siding
- Doors - All interior doors (except for shallow closets) will be 3.0' minimum
- Doors - No bi-fold doors allowed
- Kitchen - Minimum 16' linear foot of counter top (including sink)
- Interior Halls – minimum 42" width
- Bedrooms
  - a. 12 ft.-0 in. minimum furniture wall in Master Bedroom.
  - b. 11 ft.-0 in. diagonal minimum measurement Bedroom size. Ceiling fans in all living and sleeping areas
- HVAC condensing unit placed at or near rear of home in locations not adjacent to exterior doors or patio/outdoor entertainment area – for elevated homes, unit should be not be placed in the pathway of the accessible route to a door
- Back or side door route of exit (in addition to front door) – door locations should be chosen to minimize length of accessibility routes
- 6:12 pitch roof preferred (minimum is 4:12 and maximum allowable is 6:12)
- Attic stair access must not be located in any bedroom ceiling, hallway preferred
- Concrete driveways and parking pads
- Platform lifts for homes elevated eight feet or more

## 14.1 PRICING

It is the intent that all contractors will be paid identical prices for completion of the Program's selected Program Plans and ancillary construction items.

Any site-specific construction needs that are not contained in the accepted program pricing will be reviewed in a cost-estimation method to establish a reasonable price for the item.

## 15. CONSTRUCTION OVERSIGHT AND INSPECTIONS

GCHAP will determine the most cost-effective plan and schedule to build a maximum number of homes and meet the benchmarks established by the GLO. All required construction site activities are defined in the individual specific Program Guidelines and/or program policies and procedures.

The GCHAP will closely monitor construction progress through the effective use of computer software and onsite inspections. Contractors are expected to manage the coordination of subcontractors hired to complete specific pieces of the project which could include all aspects of construction, including but not limited to: site preparation, foundation, framing, plumbing, painting and carpet installation. Contractors are required to comply with labor requirements and, oversee the performance of all trade contractors and are responsible for ensuring that all work is completed on schedule.

The GCHAP will oversee the progress of construction activities, ensuring that Contractors satisfactorily complete all construction related activities for which they are responsible. Oversight includes ensuring that contractors; obtain all necessary permits and licenses, comply with all contractual obligations, and direct or monitor compliance with building and safety codes and other regulations. The GCHAP will recommend appropriate course of action in the event that any Contractor is not in compliance of program requirements.

The GCHAP will review engineering and architectural drawings and specifications to ensure compliance construction standards. Construction costs will be continually monitored against the project budget to avoid cost overruns. The GCHAP will conduct meetings with applicants, owners, construction superintendents, trade contractors, architects, and others to monitor and coordinate all phases of the construction project.

## 16. CIVIL RIGHTS

The GCHAP will take necessary steps to ensure that all project activities will affirmatively further fair housing and be administered in compliance with civil rights, laws and regulations relating to CDBG-funded programs. Of particular focus will be these rights, laws and regulations associated with equal employment opportunity, equal opportunity in services, benefits and participation. Any Contractors participating in the program will encourage use of minority and women's business enterprises and assure compliance with civil rights requirements, including but not limited to:

- Title VIII of the Civil Rights Act of 1968 (Federal Fair Housing Law)
- Section 109 of the Housing and Community Development (HCD) Act of 1974
- Section 3 of the Housing and Urban Development Act of 1968
- Section 8 Housing Quality Standards
- Section 504 of the Rehabilitation Act of 1973

The GCHAP has developed Affirmative Marketing and Section 3 Plans.

## 17. REPORTING REQUIREMENTS AND RECORDS RETENTION

The GCHAP will maintain compliance in accordance with reporting requirements under GLO's CDBG Disaster Recovery Program. This includes all information and reports as required under the GLO contract with Galveston County and demographic data relevant to Affirmatively Furthering Fair Housing and Civil Rights compliance as required by the Conciliation Agreement.

The GCHAP shall maintain accurate files and records on each applicant. All pertinent documentation shall be maintained for five years after program close out. Additionally, for Single Family Rental Program pertinent documentation shall be maintained for five years; for Multi Family Rental Program pertinent documentation shall be maintained for 10 years. Such files shall be open for public inspection in accordance with the Texas Public Information Act, and be available at the Galveston County office.

## 18. CONFLICT OF INTEREST

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

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

The GLO is able to consider granting an exception to the conflict of interest provision should it be determined by GLO that Galveston County has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program. Galveston County will not enter into a contract with a potential conflict of interest until a request for an exception has been granted.

## 19. COMPLAINTS AND APPEALS PROCESS

In accordance with 24 CFR 91 Citizen Participation Plan, 24 CFR 570.486(a) (7), and 10 TAC Sec.1.17 (a), Galveston County has developed a complaint and appeal process. The goal of this process is to provide an opportunity to resolve complaints.

Information on how to file a complaint shall be provided in the guidelines and on the Galveston County website.

There are two types of complaints, informal and formal.

### 19.1 INFORMAL COMPLAINTS

Informal complaints may be verbal and can come from any party involved in the application process, including the homeowner or building contractor.

All informal complaints shall be noted and tracked in an informal complaint file. The complainant will be informed of how to file a formal complaint.

### 19.2 FORMAL COMPLAINTS

Formal complaints are written complaints, including faxed and emailed statements, or letters that may result in an investigation.

Required documentation for formal complaints will include:

- The name of the person filing the complaint
- The date the complaint was received
- A description of the complaint
- The name of each person contacted in relation to the complaint
- A summary of the results of the review or investigation of the complaint

- An explanation of the reason the file was closed, if the file was closed

Upon receipt of a written complaint, the following steps will occur:

- A control number will be assigned to the complaint.
- Enter the complaint into a tracking system and maintain as either an electronic or hard copy file.
- A review and/or investigation of the complaint will occur.
- A determination will be made as to which program the complaint refers.
- The findings will be submitted to an individual designated by the Program.
- Determine if the Complainant is an applicant, contractor or direct party

Complaints with insufficient data or submitted by a third party with no standing in the application about which the complaint is being submitted need not be accepted.

## 20. APPEALS

Throughout the process, decisions will be made on an application and/or project to be delivered. The decisions are made based on statutes, codes of federal regulation, Texas administrative code, and state and local guidelines as they are interpreted by the program. This policy guides the process for both applicants and/or contractors appealing decisions made by the program staff.

### 20.1 APPEALS DEFINITIONS

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

1. Administrator--The Entity or Program Manager responsible for performing under a Contract with the GLO.
2. Appeal--An Appealing Party's notice to challenge a decision or decisions made by staff and/or the Program Manager regarding eligibility or construction.
3. Appeal file--The written record of an appeal that contains the applicant's Appeal; the responses, if any, of program staff, and the Program manager, and any final determination
4. Appealing Party--The party filing the appeal
5. Applicant--A person who has filed an application and has had at least some eligibility determination made on the application
6. Application--The application filed with the program for participation in the disaster recovery program. Grounds to appeal a decision.

### 20.2 APPLICANT APPEAL

This appeal process is available to an Appealing Party under the following grounds:

1. An Applicant for funding for disaster recovery may appeal the disposition of the Application. Outlined below are some eligibility requirement examples but not limited to:
  - a. :
    - i. Income
    - ii. Ownership

- iii. Residency
- iv. Property taxes
- v. Child support
- 2. A procedural error occurs where the Application was not processed by program staff in accordance with the guidelines established.
- 3. The amount of funding for which the Applicant is eligible.
- 4. Duplication of Benefits estimates
- 5. Affirmatively Furthering Fair Housing
- 6. Construction issues
- 7. Other issues as necessary may be appealed to the GLO

## 20.3 CONTRACTOR APPEAL

A Contractor may only appeal the issues related to one of more of the following:

- 1. Draw payment
- 2. Failure to meet benchmark construction deadlines

## 20.4 APPEAL PROCESS

An appeal of a local program decision will be sent to an appeals team. An Appealing Party must file a written appeal with the Local Program Manager no later than the thirtieth (30th) day after notice has been provided to the Appealing Party in order to begin the appeal process. The written appeal must include specific information relating to the challenge of the staff decision. The appeal and the Application file shall be made available to the appeals team upon receipt of an appeal. The appeals team shall respond in writing to the appeal not later than the fourteenth day after the date of receipt of the appeal. The appeal team's response may take one of the following actions:

- 1. Concur with the Appeal and make the appropriate adjustments to the staff's decision;  
or
- 2. Disagree with the Appeal and provide the basis for rejecting the Appeal to the Appealing Party.

If the Appealing Party is not satisfied with the final decision of the program with regards to the Appeal, they may appeal in writing directly to the Texas General Land Office within fifteen (15) days after they receive the appeal team's response. The Program staff shall prepare an appeal file for the GLO's review based on the information provided. The GLO will review the appeal de novo and may consider any information properly considered by the program staff in making its prior decision(s).

This process is a supplement and not a replacement to any appeals allowed by the U.S. Department of Housing and Urban Development.

## 21. CHANGES, WAIVERS, AND CONFLICTS

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

Waivers to the requirements in these Guidelines can only be approved by the GLO and must be in provided in writing. GLO will provide the option for a waiver, only after the posting of the waiver request on the Agency website for a public comment period of at least ten (10) days. The waiver request must demonstrate why the housing guidelines are not practicable for the GCHAP.

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

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# PART B – HOMEOWNER OPPORTUNITY PROGRAM (HOP)

## 1. INTRODUCTION

The HOP is a Disaster Recovery Housing Program through which income-qualified HOP applicants who live in FEMA-designated “High Risk” areas or areas of high minority and/or poverty concentration (as approved by the GLO) may elect to relocate to a safer and higher opportunity area. This program will involve relocation counseling, conducted by Mobility Counselors, and the provision of licensed real estate professionals to explain the options and choices available.

- **FEMA-Designated High Risk Area:** Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.
- **Area of High Minority Concentration** – A census block group that consists of 65% or more of minorities. Minorities include all racial and ethnic population groups other than “White, non-Hispanic (Anglo).”
- **Area of High Poverty Concentration** – A census block group that consists of 35% or more of the residents living in poverty. A resident that meets the US Census Bureau’s poverty threshold is considered to be at or below poverty level for the Disaster Recovery Program.

The GCHAP will facilitate the counseling of income-qualified applicants who live in a FEMA-designated “High Risk” area (i.e. within the 100 year flood zone), or an area of high minority and/or poverty concentration (as approved by GLO) and offer them the opportunity to participate in the HOP. The mandated counseling will include information on the applicants’ rights under the Fair Housing Act and the various disaster recovery housing program options; moreover, it will concentrate on providing the applicants the information and assistance necessary to facilitate their decision as to whether to rebuild in place or to relocate.

Relocation counselors and licensed real estate professionals will explain the housing options and choices available to the applicants. The HOP option is a voluntary path to a new home for the applicant and should not to be confused with the traditional, compensation-style buyout plan involving only the acquisition of the damaged property. Applicants who opt for the HOP must relocate to another location that is within the jurisdictional boundaries of the Houston-Galveston Area Council (H-GAC).

GLO has developed a program that provides opportunities consistent with this guidance. Rehabilitation, reconstruction, new construction services will be offered in conjunction with the HOP program.

## 2. COUNSELING MADE AVAILABLE

As applications are being accepted and reviewed for determinations of eligibility to participate in the Program, each HOP applicant shall be counseled and the various disaster recovery housing program options evaluated with the applicant.

All LMI applicants shall receive counseling to provide guidance on their housing program options.

Applicants determined to be eligible for participation in the HOP will receive counseling and professional real estate services to provide guidance on their housing options, unless the option is expressly declined

by the applicant. Professional real estate services will include, but not be limited to such services as providing the opportunity to visit properties and neighborhoods in higher opportunity areas, as well as providing general guidance with regards to those areas.

The GLO shall train each mobility counselor on all the housing options offered through the GCHAP, and will instruct them on how to meet the affirmatively furthering fair housing objectives.

The mobility counselor shall make contact with an applicant within 10 days of being assigned to their case. The counselor shall remain with that potential HOP applicant as the chief point of contact (or “case manager”), throughout the life of the application process until closing of the property. If a counselor leaves or is reassigned, the applicant shall be assigned a new counselor who shall make contact with the applicant within 10 days of being assigned the applicant’s case.

### 3. PROGRAMS MUST BE MADE AVAILABLE

Mobility counselors shall have resource information available to them to provide well-informed advice and to assist the clients in their decision making. These materials\information will include school district ratings for eligible communities in Galveston County and the H-GAC service area, availability of health service facilities and social programs in the community, a mechanism for discussing the transfer of programs currently being utilized by the applicant, and average utility costs and taxes for program eligible areas.

Galveston County’s application intake process shall avoid discrimination against program eligible households, but shall promote equitable access to the various Disaster Recovery activities to such eligible applicants in the administration of CDBG Disaster Recovery funds. Program policies shall avoid directing the activity choices or steering applicants to one choice or another in order to achieve an inequitable benefits distribution. Each program shall be designed to make every choice relatively equal in terms of total overall cost.

Relocations through either lot acquisition and construction or acquisition of a new\existing home will be allowable only if the lot does not require home elevation expenses. Beneficiaries may not be relocated to FEMA-designated “High Risk” areas or areas of high minority or poverty concentration as determined by GLO. Participants shall be relocated to safer and higher opportunity areas; nevertheless, there may be areas that require special attention for the purposes of relocation. Lots that need wells or septic work will be determined on a case by case basis. Accessibility enhancements will be eligible for all programs.

In instances in which a new home is being purchased, an inspection will be performed to verify that the new property meets Housing Quality Standards (HQS) requirements. Following the HQS inspection, an environmental review must then be performed on the property. Not only will the new property require an environmental review, but the existing/damage property will require an environmental review as well.

HOP Homebuyer Assistance allows for additional costs above the base unit amount including any necessary accessibility items or abatement measures. However, these services are at the discretion of the Sub-recipient.

The program as designed must relocate persons in concentration of protected classes or poverty out of these conditions and not into other areas that have similar characteristics.

### 4. USE OF EXTERNAL PROFESSIONALS

The HOP Homebuyer Assistance program shall include the cost of acquiring external professional services, particularly real estate agents to provide guidance, including the opportunity to visit neighborhoods and properties and to advise potential HOP applicants about lots or homes that are available in higher opportunity areas of the community with less concentrated areas of poverty and/or minority population. The external professionals must have received all State mandated training, in order to be certified eligible to participate in HOP.

## 5. DOCUMENTATION OF PROGRAM

GCHAP shall keep a record in Activity Files documenting that information about the HOP program was provided to each eligible applicant, and that the decision to participate or not to participate was the applicants' informed choice. The applicants' signature shall confirm that they received the required counseling.

In the event that an applicant elects to waive the right to receive counseling about their HOP opportunities and opts to rebuild in place, the applicant shall execute a Homeowner Opportunity Program Participation Waiver Form confirming their decision to opt out of the HOP. This form shall be kept in Activity Files.

## 6. ACQUISITION OF PROPERTY

In the event of HOP relocation, Galveston County shall take title to the original, storm-damaged property. This title may, however, be transferred to another unit of local government or taxable entity other than Galveston County. This transfer of ownership may take place within 180 days of Galveston County's acquisition. If Galveston County is unable to transfer ownership to a taxable entity within 180 days, the County may convey ownership of acquired property to a nonprofit organization.

Taxes must be current on the property to be acquired. CDBG DR funds cannot be used to directly pay back taxes. Applicants shall be given the opportunity to pay back taxes. GCHAP is to provide a proposed timeframe if the applicant is in an existing payment plan.

Outstanding liens or mortgages shall be the responsibility of the homeowner and must be satisfied prior to transfer of title. Fee simple title must be obtained. The University of Texas Title Clearance Program may be utilized at the discretion of the GCHAP.

## 7. DISPOSAL OF PROPERTY

The disposal and future use of property acquired under the HOP program shall conform to the requirements of the CDBG Program in particular and HUD guidance in general.

The existing property will be demolished within 45 days of when the property is acquired. Demolition of the property may be performed with CDBG DR funds. To the extent allowed by HUD and where the final use of the property will be known and consistent with CDBG regulations and for the purposes of the relocation of the applicant, transfer of title to a nonprofit will be allowed.