

Fort Bend County, Texas
CDBG-DR Housing Rehabilitation/Reconstruction Program
Guidelines
2016 Floods
Revised 05/22/2024

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INTRODUCTION

In April and May of 2016 (DR 4269 and DR 4272), rainstorms caused catastrophic flooding in Fort Bend County. The Brazos River experienced severe flood levels and the rain caused stream, bayou, street and flash flooding throughout the County. The 2016 Floods, as this event is now called, caused hundreds of families and/or thousands of persons to be evacuated and unable to return to their damaged homes. Homes, businesses and public infrastructure flooded resulting in unprecedented damage throughout the County. Many structures were built pre-FIRM and are located in low lying areas that are now classified as river floodway and 100-year floodplain hazard areas. One of the most severely damaged areas was the Cumings Road Census Defined Place (CDP) community. This area is located across the Brazos River from Rosenberg and is not protected by a levee. Homes across the County in the towns of Katy, Needville, Richmond, Rosenberg, Simonton and Thompsons also experienced wide-spread, severe flooding. Also, some properties and the Tierra Grande community along the County's southern border, the San Bernard River, flooded.

Fort Bend County will use Community Development Block Grant Disaster Recovery (CDBG-DR) funds allocated by the U.S. Department of Housing and Urban Development (HUD) via the Texas General Land Office (GLO), for the Housing Rehabilitation/Reconstruction Program. Of which, no less than 70 percent will be owned by low-and moderate income (LMI) households.

DEFINITIONS

Affirmative Fair Housing Marketing Plan (AFHMP) - A plan used to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status or disability.

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

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

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

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

Duplication of Benefits - The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source.¹

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

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

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

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

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

¹ Federal Register/Vol. 81, No. 117/Friday, June 17, 2016/Notices (2015 Flood event); Federal Register/Vol. 81, No. 224/Monday, November 21, 2016/Notices (2016 Flood event); Federal Register/Vol. 82, No. 247/Wednesday, December 27, 2017

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

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

Housing Quality Standards (HQS) - The HQS establishes certain minimum standards for buildings constructed under HUD housing programs. This includes new single-family homes and multifamily housing as outlined in 24 CFR 982.40 I.

Housing and Urban Development Act of 1968, Section 3 - Requires the Subrecipient to ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing Federal, State, and Local laws and regulations, to low and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32. ²

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

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

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

Manufactured Housing Unit (MHU) - A structure, transportable in one or more sections which, in the traveling mode is 8 body-feet or more in width, or 40 body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is

² <https://www.hudexchange.info>

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.

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

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

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

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

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

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(0). The definition of Subrecipient does not include procured contractors providing supplies, equipment, construction, or services and may be further restricted by Program Rules or other guidance including applications.

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

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

Substantial Improvement - Any reconstruction, rehabilitation, addition, or other improvement of a structure which the cost equals or exceeds 50 percent of the fair market value of the structure before the "start of construction" of the improvement. This term includes structures which have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either: (1) Any project for improvement of a structure to correct existing

violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions or (2) Any alteration of a "historic structure," provided that the alteration will not preclude the structure's continued designation as a "historic structure"(44 CFR 59.1).

Unsecured Forgivable Promissory Note (the Note) - An agreement between the assisted homeowners and FBCCDD that requires applicants to comply with several terms during a set affordability period. Once the homeowner complies with all the terms of the Note, and the affordability period ends, the terms are forgiven.

Program Objectives

The primary focus of the County's rehabilitation/reconstruction housing program (Program) is to provide relief to homeowners, whose primary residence were damaged by the 2016 Floods, while complying with all CDBG-DR requirements and addressing recognized impediments to fair housing choice as required under the Fair Housing Act. Assistance are available under a variety of housing option activities including rehabilitation, reconstruction, and associated elevation and/or demolition, as allowable by the 2016 Floods action plan. The Program's primary beneficiaries are those of low to moderate income persons (LMI); low and moderate income households (LMH); and ongoing unmet needs in the county. The program's objectives are to:

- Provide high-quality, durable, resilient, mold-resistant, energy-efficient, decent, safe, and sanitary housing that meets Green Standards and mitigates impact from future disasters.
- Prioritize LMI households in which members are under the age of 18, female heads of household, elderly and disable households, and/or Veteran populations while affirmatively furthering fair housing.
- Emphasize housing choices and designs to reduce maintenance and insurance costs, as well as provide the provision of independent living options.

Single Family Housing Rehabilitation/Reconstruction Program Design

Fort Bend County staff reviewed FEMA damage assessment data (FEMA Verified Loss), and FEMA SBA assistance estimates by jurisdiction, to determine the areas affected by the 2016 flooding events. To assess ongoing lmmet needs in the community, Fort Bend County staff received input from public surveys, social media, local community-based organizations, local jurisdictions, and County departments.

Eligible activities under the Programs include: rehabilitation, reconstruction and associated elevation and demolition activities associated with the recovery of impacted single-family housing stock. Assessments will be prioritized to benefits 1) low-and-moderate income households (LMH); 2) meet a need having a particular urgency.

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

Unmet Needs Analysis

An unmet needs analysis of HUD/FEMA or other housing demographic disaster victim data may be considered when determining the proportions of funding awarded that must be set aside to benefit each LMI and non-LMI economic group. The use of FEMA claims data and other applicant demographic data allows for goals to be established to fairly allocate funds across jurisdictions and neighborhoods, to serve survivors in proportion to need. The needs assessment will determine the activities to be offered, the demographics to receive concentrated attention, and any target areas to be served, the disabled, "special needs," and vulnerable populations.

Only applicants with an unmet need related to the 2016 Flooding event will be eligible. Documentation evidencing impact from the event will be required as part of the unmet needs determination.

The needs assessment will document goals within the income brackets in proportion to the damaged units in the impacted area. Deviations from goals must be approved by the GLO before Fort Bend County can move forward:

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

Eligibility Requirements

The following are threshold requirements, which must be met for an applicant to be eligible for assistance. Eligibility does not guarantee assistance since a prioritization strategy will be required.

i) **Income Determination:**

The income limits established yearly by HUD for the Section 8 Housing Program. Income eligibility will be determined and verified in accordance with the GLO's Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by Fort Bend County to verify the income eligibility of each household applying for assistance; Fort Bend County must always use the most recent income limits data.

ii) **National Objective:**

- Beneficiaries must meet the LMH national objective of supporting housing activities for impacted persons of low-and-moderate income that, upon completion of the housing activity, will be occupied by such person.
- Assistance to non-LMI applicants will be provided under urgent need.

iii) Unmet needs:

Only applicants with an unmet need related to the 2016 Flooding event will be eligible. Documentation evidencing impact from the event will be required as part of the unmet needs determination.

Environmental Review

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

Fort Bend County must identify homes that are subject to historic preservation reviews under Section 106 of the National Historic Preservation Act of 1966. HUD allows the allocation of administration fees to retain a qualified historic preservation professional.

Proof of Ownership

The applicant must be an individual who owns the property to be repaired, rebuilt or replaced due to damages received as a direct result of the 2016 flooding events. Ownership can be documented by providing a copy of a valid deed of trust or warranty deed that is recorded in the county records which cites the applicant's name. Liens on housing units: FBCDD will coordinate with lienholders to ensure the rehabilitation or reconstruction assessment is approved by the lender.

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

Applicants may prove ownership by providing documentation and completing a notarized affidavit that certifies one of the following circumstances applies:

- i) there is no other person entitled to claim any ownership interest on the property;
- ii) each person who may be entitled to claim an ownership interest on the property has agreed to participate in the program; or
- iii) a party who has the right to claim ownership cannot be located (after all reasonable attempts have been made).

Instead of a copy of the deed, alternative documentation proving ownership may be provided including and subject to approval by the GLO (listed in order of preference):

- i) Tax receipts

- ii) Home insurance
- iii) Utility bills; or
- iv) Statement of Ownership and Location (SOL) or other proof of ownership for MHU
- v) Other evidence, reasonably acceptable to GLO.

The documentation must show that the applicant was the person responsible for paying for these items at the time of the disaster.

Principal Residency

The unit to be rehabilitated, reconstructed or replaced must have been the applicant's principal place of residence on the date of the 2016 Flooding events. Applicant must provide proof of principal residency, and this can be achieved by providing a homestead exemption certificate. If a homestead exemption was not in place at the time of the disaster, an Affidavit of Principal Residency may be utilized as an alternative method of verification. The affidavit must be supported by documentation such as asset verification (income tax returns, credit check, etc.) or an active utility bill specific to the property address; name of the applicant for the billing cycle that includes the date of the floods. Vacation homes and rental properties are not eligible for assistance under the Single-Family Homeowner Program.

Property Taxes

All taxes must be current at the time of the application. If the homeowner is delinquent, Fort Bend County will accept a signed payment arrangement between the homeowner and taxing entity, provided there are no tax suits filed. If there is a tax suit or judgment filed, Fort Bend County will not be able to assist the homeowner until all delinquent taxes, court costs and abstract fees are paid, and the homeowner submits a copy of the recorded copy of the tax dismissal. Homes and property subject to any pending legal proceedings such as divorces, lawsuits, foreclosures, or seizure by local, state, or federal authorities are not eligible for assistance.

The applicant may also qualify for and receive a property tax deferral as allowed under the Texas Property Tax Code 33.07 or a tax exemption pursuant to Texas Property Tax Code. Documentation must be submitted to Fort Bend County.

Duplication of Benefits (DOB) Review

Each application will be reviewed to determine if previous funding awarded to the applicant was appropriately used on the home and if any funds were received for the same purpose. Each applicant's home must be assessed to verify that it was damaged from the event. A damage assessment report along with pictures will be required for each applicant and will be used in the unmet needs assessment. The applicant must have an unmet need to move forward in the

housing program. Only applicants with an unmet need related to the 2016 flooding events will be eligible. Applicants must provide private insurance, FEMA Individual Assistance (IA), FEMA National Flood Insurance Program (NFIP), Small Business Administration (SBA), and any other type of funding documentation for funds that were received. Case Manager must assess the applicant's unmet need and confirm to the best of their abilities (e.g., validate against FEMA data) that all submitted data are correct and current at the time of the award. Case Manager will also determine if insurance was required under the terms of the applicant's mortgage as part of the application review. Regardless of unmet needs and prior funds received, applicant awards cannot exceed program limits.

The total DOB (difference between assistance already received minus expenditures) will equal the remaining gap. The GLO's DOB Calculation Form will be used to determine the total DOB amount. If the total previously awarded assistance is greater than or equal to the total expenditures, then a positive dollar amount will indicate a DOB. To reconcile the DOB amount owed, the applicant can pay the DOB amount, or the applicant may be offered a reduction in the scope on the repair or replacement of their home's nonessential components (e.g., laminate for tile floors, smaller floor plan, etc.). The County must use the approved DOB forms when determining an applicant's final DOB, the form may be found at <http://recovery.texas.gov>

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

Child Support

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

Size of Unit

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

Exceptions to this standard are based on the following factors:

- No more than two persons are required to occupy a bedroom.

- Persons of different generations (i.e., grandparents, parents, children), persons of the opposite sex (other than spouses/couples), and unrelated adults are not required to share a bedroom. Note: All persons over the age of 18 are considered adults.
- Couples living as spouses (whether or not legally married) must share the same bedroom for issuance size purposes.
- A live-in aide who is not a member of the family is not required to share a bedroom with another member of the household. Note: The need for a full-time live-in aide must be documented.
- Individual medical problems (e.g., chronic illness) sometimes require separate bedrooms for household members who would otherwise be required to share a bedroom. Documentation supporting the larger-sized unit and related subsidy must be provided and verified as valid.
- In most instances, a bedroom is not provided for a family member who will be absent most of the time. If individual circumstances warrant special consideration, a waiver request may be approved.
- To comply with the standard, subrecipients must follow and document the reason for a requested exception as noted in the issuance size exception section below.

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

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

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

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

Proof of Event Damage/Damage Assessment

Each applicant's home must be assessed to verify that it was damaged from the event. Disaster damage can be documented as follows:

- FEMA, Small Business Administration (SBA) or insurance Award Letters;
- If the above-referenced documentation is not available, an inspection report/damage assessment report along with pictures will be required for each applicant. The inspection will be conducted by certified, licensed or experience inspectors (**HQS**, TREC, or similar license or experience). Please refer to the GLO's Damage Assessment Guidelines located at <http://recovery.texas.gov/>.
- If the FEMA, SBA, or Insurance Award letters are not available and an inspection report is inconclusive as to the cause of the damage, subrecipients may provide alternative evidence, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations. GLO approval is required for this form of proof.

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

Flood Insurance Verification/Requirements

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

Housing Activity Types and Additional Requirements

Rehabilitation, Reconstruction or Elevation

Overview:

Benefiting LMI applicants is the principal National Objective approved for the Program. Only funds used for households with up to 80 percent of the area median income may qualify as meeting the LMI National Objective; the statute requires that not less than 70 percent of the aggregate of CDBG program funds be used to support activities benefitting low-and-moderate income persons.

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

All housing units participating in the Program will be required to meet Housing Quality Standards detailed under 24 CFR 982.401, Fair Housing Accessibility Standards, and Section 504 of the Rehabilitation Act of 1973. Housing activities must also meet all applicable local building codes, ordinances, Green Building Standards, and zoning ordinances at the time of project completion. All single-family homes should also incorporate resiliency solutions which may include: elevating the first floor of the habitable area; breakaway ground floor walls; reinforced roofs; storm shutters; use of ENERGY STAR appliances and fixtures; and mold and mildew resistant products. Where a conflict arises in codes, the more stringent requirement will prevail.

All reconstructed housing units must comply with the universal design features in new construction, established by §2306.514, Texas Government Code, green building standards, the International Residential Code 2012 or higher (IRC) (with windstorm provisions) and International Building Code (IBC) must also be met where they apply.

Rehabilitation or reconstruction assistance is available to applicants that meet all criteria, for costs not yet incurred, subject to funding availability. Rehabilitation will be provided to homes that have up to \$65,000 in estimated damage from the event. All other homes will be reconstructed. Based on the extent of damage, survivors may be eligible for rehabilitation or reconstruction of their homes.

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

Size of Units

The total square footage ranges for reconstruction are as follows:

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

Rehabilitation / Reconstruction Caps Fort Bend County Community Development Department (FBCCDD) staff will plan, implement, manage and provide oversight for the overall process to either rehabilitate or demolish homes in substandard condition and not suitable for rehabilitation and replace them with a quality, affordable, decent, and safe dwellings through a three-year Secured Forgivable Promissory Note.

	Reconstruction	Rehabilitation
Base Maximum Cost	Local Bid	Local Bid (maximum \$65,000)
Replacement with Energy Efficient Manufactured Housing Unit (MHU)	\$75,000	NA
Non-Coastal Elevation	\$35,000	\$35,000
Water Well	\$30,000	\$30,000
Septic System	\$25,000	\$25,000
Accessibility	\$20,000	\$20,000
Abatement	\$20,000	\$20,000
Project Soft Costs	Actual Costs (maximum \$10,000)	Actual Costs (maximum \$7,000)

The maximum amount of assistance for housing rehabilitation is \$65,000. The maximum amount of compensation for housing reconstruction is will be based on evaluated need. Assistance will be provided in the form of a Note to the homeowner, it is structured as a three- year Secured Forgivable Promissory Note. After an inspection, FBCCDD staff will prepare an estimate of housing repair costs. The Texas General Land Office form 11.01 will be used to

document substantial damage. The maximum amount of assistance for rehabilitation is \$65,000. Manufactured homes will not be rehabilitated under this program.

Conversely, if the repair costs exceed forty (40) percent of the appraised value of the improvements, according to the most recent certified tax roll from the Fort Bend County Central Appraisal District, the property will be eligible for reconstruction. Homes not suitable for rehabilitation will be demolished, the debris will be remove and a new modest home or prefabricated home will be reconstructed in its place on the homeowner's property. Fort Bend County will not replace mobile homes eligible for reconstruction with mobile homes. A mobile home eligible for reconstruction will be replaced with a stick built/on slab house in lieu of a replacement mobile home.

The maximum amount of assistance will include the cost of demolition, new construction and replacement of water wells and OSSF, where needed. All parties should understand how the work will proceed. Instructions will be given regarding clean up by the homeowner prior to the work and the contractor after the work

Eligible and Ineligible Improvements and Costs.

Eligible costs include the costs of meeting the requirements of the Fort Bend County Local Housing Standards (FBCLHS), which meet and exceed HUD Section 8 existing Housing Quality Standards and Cost-Effective Energy Measures, correcting incipient violations, energy conservation, accessibility modifications, fire safety measures, general housing unit improvements and related fees as described below:

Ineligible improvements and expenses

Except as otherwise provided in these guidelines, rehabilitation assistance shall not be provided for:

1. New construction expansion of the structure, rehabilitation of rental units, or the finishing of unfinished spaces not required to comply with FBCLHS.
2. Materials, fixtures, equipment or landscaping of a type or quality which exceeds that customarily used for properties of the same general type as the property to be rehabilitated.
3. Acquisition of land.

4. Payment or refinancing of existing debt (mortgages, past due utility payments, home improvement notes).
5. Damage to partially complete or complete construction, materials or repairs caused by the homeowner, members of the homeowner's household or other individuals during construction.
6. Any repairs or rehabilitation to a housing unit after the close out of the rehabilitation except for warranty work.
7. Any repairs or rehabilitation work not listed on the work write-up report or not authorized through an approved change order that are the result of "side contracts", deals, or arrangements between the homeowner and the contractor.
8. CDBG Disaster Recovery Program funds may not be used for luxury items. Luxury items include, but are not limited to, swimming pools, fences (other than those required for security), television, satellite dishes, and washers and dryers.

Eligible Expenses and improvements

When necessary to meet a specific requirement of housing standards, rehabilitation assistance may be used to the extent necessary for:

The rehabilitation, removal, or replacement of elements of the dwelling structure, including basic systems, and of other improvements to the property such as steps, walkways and driveways. The term "basic systems" includes such items as furnaces, water heaters, fixed electrical equipment, sanitary fixtures required to meet FBCLHS.

Air conditioners and heating systems, water heaters, stoves, and refrigerators are eligible for replacement under the CDBG Disaster Recovery Program. Appliances and housing components that are not integral to the structure of the home such as washers, dryers, dishwashers, detached garages and carports are not eligible.

The provision of sanitary facilities, including the expansion and finishing of space necessary to accommodate those facilities.

The provision of additional or enlarged bedrooms, if necessary to eliminate overcrowding, to meet handicapped needs, to provide for separate sleeping areas for children of opposite sexes.

The reasonable enlargement of kitchen/dining areas to cure functional obsolescence; the addition of a bathroom if necessary to accommodate a very large family or meet the needs of a handicapped person or persons.

Necessary grading or filling the ground.

All materials used shall be new (unless otherwise specified in the Project Manual) and of good quality. All work shall be done with skilled craftsmen and accomplished with care. Contractor shall provide samples to the Homeowner for selection for all materials as cited in the individual specifications and provide reasonable time to the Homeowner to make selections, Contractor shall submit a letter to the Administrator or his/her designee, signed by the Homeowner, stating that the Homeowner approves of colors and quality of items such as, but not limited to: paint, flooring materials, brick, shingles, vinyl siding, door/window/drawer hardware, and counter tops, allowed under the Program.

All debris, abandoned vehicles, and buildings that pose a safety and/or health threat, as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property prior to the start of construction. The applicant will remove derelict personal property.

All electrical components must be inspected, including service meter, wiring, and fixtures, even if no electrical work is being specified. Unsafe components must be replaced. All exposed wiring, switches, and light bulbs in living areas must be encased.

Requirements of the Program Standards

All materials and equipment used in the Rehabilitation/Reconstruction Program shall be installed in conformance with the latest existing laws, ordinances and codes, latest edition, as adopted by the local governing body. These include, but are not limited to, the Uniform Building Code (UBC) the Southern Building Code (SBC); International Residential Code 2012 or higher (IRC) for reconstruction (with windstorm provisions); Housing Quality Standards (HQS); Green Building Standards. Contractors shall use the Fort Bend County Housing Rehabilitation Specifications as a guidebook when performing work and in accordance to the minimum property standards Rehabilitation projects must also comply with Section 31 of the Federal Fire Prevention Control Act of 1974.

The contractor shall exercise proper precaution at all times for the protection of persons and property, either on or off the site, from hazards which occur as a result of his prosecution of the work. The safety provisions of applicable laws and building construction codes shall be observed and the contractor shall take or cause to be taken such additional safety and health measures as the FBCCDD office may determine to be reasonably necessary. These measures include:

- a. International Residential Code 2012 or higher (IRC) for reconstruction (includes compliance with Section 31 of the Federal Fire Prevention Control Act of 1974.
- b. ENERGY STAR certification for reconstruction/ new construction.
- c. Lead Base Paint Inspection required for all homes built prior to 1978. Use of homeowner notification/certification forms as applicable.

- d. Inspection process. During the initial site visit inspection, the FBCCDD Housing Rehabilitation Specialist will utilize the TDHCA Initial Inspection Checklist and prepare a list of deficiencies that must be completed, along with a rehabilitation cost estimate. Before photos will be taken of the interior and exterior, front and back. During construction, the FBCCDD Housing Rehabilitation Specialist will perform inspections during the critical phases and obtain progress photos to be retained in the project file.

Accessibility - Single Family Housing Units must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and the GLO's Visitability Standards. Rehabilitated homes inhabited by a family member with a disability or elderly persons must be analyzed as to the special physical needs of such persons. Improvements, such as ramps, grab-bars, level entry and widening of doorways, must be installed, if appropriate.

Green Building, Energy Conservation and Fire Safety - Rehabilitation assistance may be provided to purchase and install insulation, storm windows and doors, caulking and related energy saving devices or measures. When older or obsolete products are replaced as part of the rehabilitation work, rehabilitation is required to use ENERGY STAR-labeled, Water Sense-labeled, or Federal Energy Management Program (FEMP)- designated products and appliances.

New housing construction and reconstruction or substantially rehabilitated housing must comply with the following Green Standards:

- a. ENERGY STAR (Certified Homes or Multi-family High-Rise);

The installation of smoke or fire detector(s) and related fire safety items are also eligible costs. All homes must comply with Section 31 of the Federal Fire Prevention Act of 1974.

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

Elevation

Fort Bend County will apply the following elevation standards to reconstruction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1). All structures, as defined under 44 CFR 59.1, designed principally for residential use and located in the 100-year (or 1 percent annual chance) floodplain that receive assistance for reconstruction, repair of substantial damage, or substantial improvement, as defined under 24 CFR 55.2(b)(10),

must be elevated with the lowest floor, including the basement, at least 2 feet above the annual floodplain elevation, or as modified by local code.

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

Standards for Rehabilitation of non-substantial damaged residential

Fort Bend County will follow the HUD CPD Green Building Retrofit Checklist available at <https://www.hudexchange.info/resource/3684/guidance-011-the-cpd-green-building-checklist/>. The County will apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall.

Resilient Home Construction Standards

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

Incipient Violations - In order that a property may be brought up to and maintained to FBCLHS, rehabilitation assistance may be provided to correct incipient violations. An incipient violation is defined as the state or physical condition of an element of the structure required to meet FBCLHS that, at the time of inspection is in such a state of deterioration that, if left uncorrected, will further deteriorate into an actual violation within the next two years.

General Property Improvements (GPI)- Items that substantially protect or improve the basic livability of the property, including: renovation of the plumbing or electrical systems, the installation of approved heating or air conditioning systems, additions or finishing of unfinished spaces where these are required to meet FBCLHS, the renovation of items which will result in reduced maintenance, or the installation of permanent work saving elements which benefit the health and safety of the homeowner, will be eligible costs. Also, other improvements, called General Property Improvements (GPis), which enhance the appearance and livability of the property and/or contribute to neighborhood conservation, may be eligible. The cost of all general property improvements shall not exceed twenty percent (20%) of the cost of correcting all applicable code violations. Fort Bend County will verify if general property improvements are eligible expenses under the Program. Additionally, GPI items will only be included provided the costs can be covered within the limits of the funding cap(s) established by the County. Some or all GPI type items may be removed from the work write-up and the bid documents, should

insufficient funds be available within the program's funding caps. All rehab properties must meet minimum property standards.

Building Permits and Related Fees - Required permits, if any, will be obtained by the contractor of builder at his/her expense and will be included as part of the bid costs.

Lead-Based Paint Hazard Elimination - If the unit to be assisted was built prior to 1978, the unit will be tested for lead paint and asbestos-containing materials. If present, the removal and abatement of Lead-based paint and asbestos-containing materials will be considered in the costs of rehabilitation under the Abatement Cap. such hazards shall be stabilized, abated and/or eliminated according to regulations implementing 24 CFR Part 35, Subparts A, B, J, K, and R.

Inspection Requirements - Each project will require an inspection(s) during the life cycle of the project. The required inspections are dependent on the activity type (e.g., reconstruction, rehabilitation, etc.), which are outlined below. The program will only pay for one inspection per activity per phase outlined below. Any additional inspection costs will be the responsibility of the designated contractor/builder's rehabbing, reconstructing, or demolishing the home.

Single Family Housing Inspection Requirements					
Application Type	50%	Final Inspection	Demolition Confirmation	TREC	Monitoring Inspections
Reconstruction	Yes	Yes	Yes	Yes**	%*
Rehabilitation	Yes	Yes***		Yes**	%*
*Monitoring inspections are performed by GLO or FBCCDD representatives.					
**TREC inspection are performed by FBCCDD representatives.					
***For substantial rehabilitation only.					

Building Specifications Requirements for Reconstruction

For reconstructed homes, construction specifications (for 2, 3, and 4-bedroom homes with total square footage ranges) will be developed by the County. Each home must be constructed in accordance with local codes and should include resilience and mitigation requirements. The County may engage an architect to allow for local architectural variations; however, basic square footage (within ranges-see Size of Units below), room requirements, building materials, and general specifications must remain standardized for any home newly constructed or reconstructed with CDBG-DR funding. The standardized specifications will then be put out for

bid locally. House plans become property of the County to use for possible future federal funding. Plan costs should only occur once and may be used throughout the implementation of the housing recovery program.

Visitability Checklist

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

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

PROPERTY INSPECTION AND FINAL PAYMENT

Preliminary Inspections

A preliminary inspection will be conducted by the subrecipient to determine the condition of the unit for each application and to verify damage by the event, if FEMA, the Small Business Administration (SBA), or insurance award letters are not available to demonstrate tieback to the applicable event.

The initial inspection will be conducted by the County's inspector or another qualified inspector, and a list of the deficiencies will be prepared. The inspection will also provide an estimate of repair costs to determine whether rehabilitation or reconstruction will be offered and must be in sufficient detail to be utilized in the creation of work write-ups. This process will document the unmet needs for the applicant with respect to rehabilitation or reconstruction of their damaged home.

Progress Inspections

Progress inspections (50 percent) performed by the County will serve three primary purposes: (1) to evaluate the contractor's progress; (2) to confirm that local building codes or standards have been satisfactorily met; and (3) to confirm that all requirements of the contract have been met to the satisfaction of all parties.

50% Inspection (reconstruction) - The building shall be in a "dried in" state, which means that all windows, doors, roof, and siding shall be in place, thus preventing rain penetration into the interior of the house.

- The rough-in plumbing shall be complete.
- The electrical rough in shall be completed, including (but not limited to) the placement of receptacle boxes, switch boxes and the placement of the circuit breaker box.
- The HVAC system shall be in place, including the units themselves, the ductwork and all drain lines.
- The inspection shall take place prior to insulation being installed.
- The CDR 50% checklist must be used to complete the inspection.
- Inspections to approve progress payments will be made at a time requested by the contractor. These inspections will be made promptly upon request so as not to delay the processing of the contractor's payments. The County will retain 10% of all payments. If possible, the same person will conduct both progress and final inspections.

Final Inspections

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

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

100% (Final) Inspection

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

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

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

After documentation has been submitted to the County evidencing that the home has passed the final inspection, all punch list items have been satisfactorily completed, and all warranties have been issued, the project can be brought to final resolution. The builder can submit for final payment at this time (with 10% removed for retainage).

For purposes of accountability, Homeowner Assistance Program administrators must have written documentation that the assisted homeowner and the County has accepted the work (the final inspection requires signatures from the homeowner, contractor, and the County).

Warranties and Retainage

When the results of the final inspection indicate that the work is completed in accordance with the contract, the County will submit the contractor's request for payment and, upon receipt of the funds, disburse the funds to the contractor. The County shall retain 10% of the funds for 30 days. During this time any outstanding punch list items must be corrected, and documentation of the corrections must be submitted to the GLO or its representative. Following satisfactory correction of all outstanding items, the retainage will be paid to the contractor upon availability of grant funds following the final 30-day period.

Should the contractor fail to satisfactorily correct any and all outstanding items: **(1)** the County will not disburse the retainage, **(2)** the assisted homeowner may take any necessary legal recourse, and **(3)** the contractor may be removed from performing any more rehabilitation/reconstruction work on the home. The GLO will have all necessary work completed at the GLO's discretion.

In addition, should the contractor be doing other work under this Single-Family Homeowner Program and **fail** to correct any warranty problems, no other payments will be made to

him/her until such problems are corrected. This will affect a builder's assignment method and these actions should be recorded.

All work performed by the contractor will be guaranteed for a period of 1 year. Such warranty will be stipulated in the construction contract between the contractor and the homeowner. For a period of 1 year, the assisted homeowner may require the contractor to correct defects or problems arising from his/her work under this contract. Should the contractor fail to do so, the assisted homeowner may take any necessary legal recourse as prescribed in the rehabilitation or new construction contract. A reasonable amount of time will be given to correct the problem; however, in no case will such time exceed 2 weeks to respond. Warranty notices must be issued in advance of expiration (e.g., 6 months and 1 month prior to expiration date of the warranty).

In addition to the 1-year warranty referenced above, the contractor shall provide a third-party extended warranty that shall cover, at a minimum, the structural integrity and the foundation for a period of 10 years. The County must inform the applicants at closing what the home warranty terms are and when they expire. HUD recommends that the County should send a warranty notice on a periodic basis, e.g., 6 months from expiration.

Project Closeout/Affordability Monitoring Requirements

Approved projects will require Affordability Note Monitoring. For homeowner assistance activities, the County must consider setting a budget to accommodate the necessary work to perform the monitoring requirements under the Unsecured Forgivable Promissory Note for three (3) years.

The homeowner must sign a Three-Year Unsecured Forgivable Promissory Note stating that they will maintain the home as the principal residency for 3 years, maintain property taxes, hazard and if applicable, flood insurance. Upon completion of the rehabilitation/reconstruction, Fort Bend County, through the CDBG Disaster Recovery Program will pay the hazard and if applicable, flood insurance premium for the first year for those homeowners that are currently uninsured and unable to afford the cost of the first-year premium. The homeowner will be responsible for paying the premiums in subsequent years. Failure of the homeowner to maintain hazard insurance MAY result in the lack of future federal assistance. In a flood plain, failure of the homeowner to maintain flood insurance WILL result in the denial of future federal assistance. Homeowner must show Fort Bend County, as a Lender on their insurance policy. Homeowner has the duty to notify Fort Bend County if they default on the Note. Homeowner must notify the Case Manager before vacating, selling, leasing or any change in residency to determine the applicable portion of the Note that is to be repaid. Fort Bend County will monitor homeowners and property for compliance. If homeowner fails to comply with the terms of the Note, they will be subject to repay the funds.

To ensure compliance with the requirements of the executed Note with the homeowner, the County will perform at a minimum an annual check to confirm all Note commitments are in

place through its term. Insurance notices of default should be documented and evaluated as they are received by the County. The County should use the GLO Monitoring Process, but alternates can be proposed for GLO approval.

PROGRAM MARKETING PROCEDURES

The Fort Bend County Rehabilitation/Reconstruction Program is available to applicants identified through the Fort Bend County Community Development Department Application Process. Fort Bend County shall ensure that no person shall on the ground of race, color, national origin, religion, sex, sexual orientation, age, familial status, or disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or be denied access to the CDBG Disaster Recovery Program. Marketing will occur and referrals will be accepted through Fort Bend County Community Development Department and the Fort Bend County Office of Emergency Management. The County will also coordinate with Fort Bend Recovers and local non-profit and community-based organizations. Fort Bend County will take additional measures to affirmatively market the CDBG Disaster Recovery Program, as follows:

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

Applications and forms will be offered in English and other languages prevailing in the region in accordance with Title VI of the Civil Rights Act of 1964, including persons with disabilities (24 CFR 8.6), Limited English Proficiency (LEP), and other fair housing and civil rights requirements such as the effective communication requirements under the Americans with Disabilities Act. Every effort will be made to ensure that the program is accessible to people with disabilities.

2. Fort Bend County will retain documentation of all marketing measures used, including copies of all advertisements and announcements that will be available for public viewing upon request.
3. Fort Bend County will use the Fair Housing logo in advertising, post Fair Housing posters and related information, and, in general, inform the public of its rights and obligations under Fair Housing regulations.

Applications will be mailed to interested individuals, cities and non-profit organizations within the County. Applications will be placed in various public facilities (libraries, County offices, community centers, etc.) and on the County's website. In addition, the County will issue a press release to local newspapers.

In addition to marketing through widely available media outlets, Fort Bend County will take additional measures to affirmatively market the CDBG Disaster Recovery Fund program services, as follows by advertising with the media outlets which provide unique access for

persons who are considered members of a protected class under the Fair Housing Act including: Ethnic newspapers and/or radio stations.

In addition, Fort Bend County will take the following measures to make the program accessible to persons who are considered members of a protected class under the Fair Housing Act: Hold informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), provide sign language assistance when requested if possible, and provide special assistance for those who are visually impaired when requested.

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

Fort Bend County will use the Fair Housing logo in Program advertising, post Fair Housing posters and related information, and, in general, inform the public of its rights and obligations under Fair Housing regulations.

Fort Bend County is required to coordinate with HUD-certified housing counseling organizations to ensure that information and services are made available to both renters and homeowners.

Fort Bend County has measures in place to protect, report, and ensure compliance of the following: (These are listed in the exhibits of your contract)

Processes in place to ensure non-discrimination.

Has clear policies in place in regard to serving people as required under the Civil Rights Act of 1964 and subsequent amendments.

Maintains records regarding Fair Housing and Accessibility with respect to meet the goals of the Fair Housing Act.

REPORTING REQUIREMENTS

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

Section 3

Fort Bend County shall comply with Section 3 as required by 24 CFR Part 135 and the executed agreement between the County and GLO (see GLO section 3 policy).

Applicant Data

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

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

Records Retention

All official records on programs and individual activities shall be maintained for a 3-year period beyond the closing of a grant between the GLO and HUD. Applicant records must be maintained electronically. The County should contact the GLO to obtain an approved electronic record management system utilizing the GLO's Activity File Checklist. All projects, program activity files, and applicant information received must be maintained within the GLO's system of record.

PROCUREMENT REQUIREMENTS

Fort Bend County shall provide adequate documentation to show that the selection process was carried out in an open, fair, uniform, and thorough manner to ensure that federal (2 CFR 200.318-200.326) and state procurement requirements were met.

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

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

During the procurement process, the County should clearly identify any items included in the bid/purchase that are not included in the CDBG-DR agreement with GLO. The County may utilize HUD's CDBG-DR and Procurement Guidance at <https://www.hudexchange.info/resource/5614/buying-right-cdbg-clr-and-procurement-a-guide-to-recovery/>

The County must procure goods and services using the federal procurement and contract requirements outlined in 2 CFR 200.318-200.326. These procurement requirements must be followed for reimbursement from grant allocations of CDBG-DR funds provided by HUD.

Subrecipients are also required to follow state and local procurement law and policies as prescribed by 2 CPR 200.318(a), as well as the additional requirements stated in 2 CPR Part 200.

Composite pricing will be utilized for reconstruction and rehabilitation. This pricing will be developed utilizing the RFP process and average costing and shall be verified as reasonable and customary by utilizing an industry standard independent pricing product. Pricing for rehabilitation shall be developed via an independent damage assessment and work write-up. This becomes the scope of work and will be priced in conjunction with a line-item price list that will be produced out of the original RFP with appropriate reasonable and customary verification.

The County should update their procurement policies and procedures to correspond with the procurement and contract requirements of 2 CPR 200.318 - 200.326 for CDBG-DR funding.

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

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

Additionally, the County are required to achieve compliance with Section 3 (24 CPR Part 135). It is strongly suggested that HUD's best practices be utilized to help achieve compliance (HUD Model Section 3 Plan), including creating a Section 3 plan. The County are also required to "take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible." (HUD CPR 200.321).

Furthermore, HUD requires the GLO to maintain a public website that provides information accounting for how all grant funds are used and managed/administered. To meet this requirement, the County must make the following applicable items available for the state to post on the GLO's website at <http://recovery.texas.gov/>: procurement policies and procedures; description of services or goods currently being procured by the County; and a summary of all procured contracts (as defined in 2 CPR 200.22), including those procured by the County (e.g., a summary list of procurements, the phase of the procurement, requirements for proposals, and any liquidation of damages associated with a contractor's failure or inability to implement the contract, etc.). Updated summaries must also be posted monthly on the website.

CONFLICT OF INTEREST

The conflict of interest regulations contained in the contract between Fort Bend County and the GLO prohibit local elected officials, County's employees, contractors, and consultants who exercise functions with respect to CDBG-DR activities or who are in a position to participate in a

decision-making process or gain inside information with regard to such activities, from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

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

The GLO can consider granting an exception to the conflict of interest provision should it be determined by the GLO that the 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. The County should not enter into a conflict of interest until justification has been received and approved by the GLO in accordance with applicable procurement laws.

COMPLAINT/APPEAL PROCESS

(1) General Policy

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

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

(2) Responsibilities

The County shall identify customer service specialists within their program that will be tasked with handling all homeowner inquiries.

Customer service specialists are responsible for (1) determining if complaints and appeals relate to the business or authority of the County, (2) ensuring that a response to all complaints and appeals are within the appropriate time frame (a final response must be provided within 15 working days of the receipt of the final complaint need for additional time), and (3) ushering all complaints and appeals through to a resolution where possible.

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

(3) Documentation

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

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

APPLICATION PROCESS

The Program will be administered through the Fort Bend Community Development Department located at 301 Jackson Street, Richmond, Texas, 77469. All interested party will need to submit a complete application package. Applications will be reviewed for determinations of eligibility to participate in the Program. A case manager will be assigned to work with each applicant from inception to close-out, this process will ensure that the applicant have the immediate contact information and needs to be successful in their long-term recovery efforts.

Case managers or interpreters must be able to communicate with the applicant in their primary language and should be assigned as appropriate. Additionally, they must ensure effective communications with persons with disabilities pursuant to 24 CFR 8.6 and other fair housing and civil rights requirements (such as effective communication requirements under section 504 and the Americans with Disabilities Act.)

- Fort Bend County will accept applications as follows:
 - o In person at addresses to be announced in public meetings, press releases and on Fort Bend County's website.
- Length of time, days, and hours that applications will be available, including but not limited to:
 - o Downloadable application online 24 hours a day;
 - o During regular business hours at Fort Bend County Community Development Department;
 - o At sites and times listed on the website.
 - o Via regular mail at Fort Bend County Community Development Department.
 - o Special arrangement: Arrangements can be made for persons with special needs, language interpretation needs, or for persons needing alternate times and locations by telephoning or emailing a request.

Homeowners must supply certifications, releases, information, or documentation as the County, the State, or HUD determines to be necessary, including the submission of Social Security numbers, and verifying documentation, the submission of signed consent forms for the obtaining

of wage and claim information, and submissions required for a preliminary or final re- examination of household income and composition.

Homeowners must not receive assistance under the Community Development Block Grant (CDBG), HOME Program or additional funding for repairs such as FEMA, SBA or Insurance while occupying or receiving assistance for occupancy of, any other housing unit assisted under any Federal housing assistance program during the period of time covered by the contract, if it will pose a duplication of benefit.

Applications will be processed in the order in which they are received. Priority will be LMI households. Fort Bend County accepts applications on a first come, first served basis within each income bracket. Applications will be date stamped when received in the Fort Bend County Community Development Department office and logged into a master file list for processing.

After a preliminary determination of income eligibility by the applicant's Case Manager, the Case Manager will place the homeowner applicant on the waiting list of income-eligible homeowners. The homeowner applicant will be placed on the waiting list based on the date the application was received by the FBCCDD.

The placement of a homeowner applicant's name on the waiting list does not confer on an applicant any right to participate in the program or to ultimately receive assistance.

The Case Manager will process homeowner applicants for participation from the waiting list in accordance with the policies and procedures (including property and income eligibility) stated in these program guidelines.

Applications will be accepted until the closing date that will be announced by Fort Bend County. Fort Bend County may re-open the intake application process by advertising on their web site and establishing a start and end date for accepting new applications.

Case Managers will review all applications for completeness. If an application is determined incomplete, the Case Manager will send the applicant a deficiency letter. The homeowner applicant will have fourteen calendar (14) days to submit all information to complete the application. If a homeowner applicant does not return the completed application by the stated due date, the homeowner applicant will be notified by mail that their application has been rejected.

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

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

Application Status

The County will provide timely notification to applicants on their application status via telephone, email or regular mail services. Additionally, the County will further define in its operating procedures the methods for communication (i.e., website, telephone, case managers, letters, etc.), ensuring the accessibility and privacy of individualized information for all applicants, indicating the frequency of applicant status updates, and identifying which personnel or unit is responsible for informing applicants of the status of recovery applications. The program will be administered through the Fort Bend County Community Development Department located at 301 Jackson Street, Richmond, Texas, 77469. Applicants may call the department at 281-341-4410.

Homeowner program requirements

Homeowners must comply with the Rehabilitation/Reconstruction Program requirements during the rehabilitation/reconstruction process and the affordability period as stated below:

Rehabilitation/Reconstruction Process

Homeowners should:

Sign the construction agreement for stick-built homes between the rehabilitation/reconstruction contractor and the assisted homeowner before any work begins.

Expect standard construction situations by the work in progress (ex: the presence of the workers and/or potential unexpected delays in the work from weather, etc).

Cooperate with the contractor to facilitate the performance of the work, including the removal and replacement of rugs, coverings, and furniture as necessary and the cessation of utilities for short periods of time.

Not interfere with the contractor or subcontractors during the course of the work.

Not permit any changes or additions to the Agreement, work write-up report, or plans without the approval of the FBCCDD. If any extras are approved through a change order, a change order form must be signed and dated by the existing homeowner, the contractor, and the FBCCDD. If any extras are provided without an approved change order, the homeowner will be responsible for payment of the extra cost of materials and/or labor.

Permit the contractor to use, at no cost, existing utilities such as light, heat, power, and water necessary to the carry out and complete the work.

Agree to process payment in full to the contractor, subject to the FBCCDD's acceptance of the housing rehabilitation work as satisfactorily completed in accordance with the contract.

Notify the contractor of any warranty work to be done for twelve (12) months from date of close-out.

Not commit any fraud in connection with Housing Rehabilitation Program

If homeowner occupies the premises during the course of the rehabilitation construction work, the homeowner will agree to sign appropriate documentation.

Not receive assistance under the Community Development Block Grant (CDBG) or HOME Program while occupying or receiving assistance for occupancy of, any other housing unit assisted under any Federal housing assistance program during the period of time covered by the contract. This includes additional repairs from FEMA, SBA and Insurance. The homeowner will sign a subrogation agreement prior to the commencement of work.

Allow the FBCCDD, the General Land Office (GLO) or the U.S. Department of Housing and Urban Development (HUD) to inspect the dwelling unit at reasonable times and after reasonable notice.

Complaints / Resolutions/ Appeals:

Should the contractor fail to answer or correct the defect(s) within a reasonable time, the FBCCDD will provide assistance to homeowner. This assistance will include:

Investigating the complaint and inspecting the defects or inadequacies.

If the complaint is determined to be invalid, the homeowner will be so notified.

If the complaint is determined to be valid, the FBCCDD Rehabilitation Specialist will direct the contractor to take necessary corrective action within a specified length of time.

If the contractor complies, the FBCCDD Rehabilitation Specialist will re-inspect the work.

If the contractor fails to respond to the request within the specified length of time, the staff, upon the homeowner's request, will prepare a letter notifying the contractor a second time that unless the complaint is abated by a specified time, a formal complaint will be filed with the FBC County Attorney or the General Land Office for appropriate action.

If the contractor fails to respond to the request for correction within the time specified:

The contractor may be prohibited by Fort Bend County from contracting any other repair work under any rehabilitation program administered by the County.

The homeowner may take legal recourse as identified within the terms of the construction contract.

Dispute Resolution and Grievance Process

Disputes between the homeowner, the contractor and FBCCDD staff may arise from time to time during the life of the rehabilitation project. In those instances where a mutually satisfactory agreement cannot be reached between the parties, the grievance procedure should be followed.

During the rehabilitation or reconstruction process, the FBCCDD Rehabilitation Specialist shall decide, when necessary, any and all questions which may arise as to the quality and acceptability of materials furnished, work performed, interpretation of work items on the deficiency list and all questions as to the acceptable fulfillment of the contract on the part of the contractor and homeowner.

If the question, dispute or disagreement cannot be resolved by the Rehabilitation Specialist, the FBCCDD Director will meet with the parties involved and attempt to resolve the problem.

If the question, dispute or disagreement cannot be resolved by the FBCCDD Director, the grievance by the homeowner or contractor must be filed with the FBCCDD Director in writing. The FBCCDD Director will forward the complaint and documentation of the attempts to resolve the issue to the FBC County Attorney for resolution.

If the question, dispute or disagreement cannot be resolved by Fort Bend County, the issue will be forwarded to GLO, then to GLO Governing Board as necessary.

CONTRACTOR PROCUREMENT AND SELECTION PROCESS

All rehabilitation and reconstruction will be procured through the FBC Purchasing Department in an open, fair, uniform, and thorough manner to ensure that federal (2 CFR 200.318 - 200.326) and state procurement requirements are met.

Contractors will be invited to attend a pre-bid meeting held at an announced location. Bids as received must be for the execution of the entire work as called for in the Bid Form and Work Write-Up provided. The total bid should be included on the Bid Form. Bids will only be accepted in the Purchasing Office. Contractor will not be reimbursed for costs incurred from bid preparation. Each bidder shall thoroughly examine and become familiar with the drawings, specifications, all other contract documents, General Specifications, existing conditions, difficulties and restrictions involved with doing the work. The contractor will not be relieved of his obligations because of failure to do the above when contracted to do the work. Each bidder shall, upon discovery of any apparent error or omission in the bidding documents, notify the Purchasing Department of such prior to the date of bid closing.

Plans, specifications and bid documents will be prepared and placed on the Purchasing webpage. The Fort Bend County Purchasing Department will review and evaluate the submitted bids. The County will award the bid to the lowest and best responsible bid.

The Purchasing Department will check contractor for inclusion on the Federal and State Debarred Contractor Listing prior to signing a contract with the County. Any contractor found to be included on the Federal and State Debarred List is immediately determined to be ineligible to participate in the Fort Bend County program.

Contractors are required to carry Workers' Compensation Insurance. Substitutes to genuine Worker' Compensation Insurance will not be allowed.

Contractors must maintain Employers' Liability insurance with limits of not less than \$1,000,000 per injury by accident, \$1,000,000 per injury by disease, and \$1,000,000 per bodily injury by disease.

Contractors must maintain commercial general liability insurance with a limit of not less than \$1,000,000 each occurrence and \$2,000,000 in the annual aggregate. The policy shall cover liability for bodily injury, personal injury and property damage and products/completed operations arising out of the business operations of the policyholder.

Contractors must maintain Business Automobile Liability coverage with a combined bodily injury/property damage limit of not less than \$1,000,000 each accident. The policy shall cover liability arising from the operation of licensed vehicles by policyholder.

The County and the members of Commissioners Court shall be named as additional insured to all required coverage except for Workers' Compensation and Professional Liability (if required). All liability policies including workers' compensation written on behalf of contractor, excluding professional liability, shall contain a waiver of subrogation in favor of the County and members of Commissioners Court.

Many of contractors participating in Fort Bend County's Community Development programs are local contractors residing within Fort Bend County. Preference will be given to HUBs and low-income workers (Section 3).

Fort Bend Employees Not Held Liable

- 1) No member, officer, agent, or employee of Fort Bend County shall be personally liable concerning any matters arising out of or in relation to, the commitment of CDBG Disaster Recovery Fund Program funds with regard to feasibility or viability of the proposed project.

Audit Requirements

Fort Bend County will have a single or program specific audit conducted in accordance with the applicable federal requirements. Fort Bend County will ensure that any subsequent entities receiving pass-through funds which also meet the definition of subrecipient received audits.

Vendors and contractors employed by the County will be required to comply with the executed contract.

Changes, Waivers and/or Conflicts

Fort Bend County has the right to change, modify, waive, or revoke all or any part of these guidelines, with the prior written approval of the GLO. The GLO will provide the option for a waiver only after the waiver request has been posted on Fort Bend County's website for a public comment period of at least 7 days. The waiver request will demonstrate why the housing guidelines are not practicable for the County. If these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state, or federal law.