

HIDALGO COUNTY

2008 GUIDELINES FOR COLONIA SELF-HELP CENTER (SHC) HOUSING ASSISTANCE PROGRAM REHABILITATION/RECONSTRUCTION/NEW CONSTRUCTION/ COLONIA SHC HOME REPAIR

I. INTRODUCTION

Hidalgo County ("Prime Contractor") has received Colonia Self-Help Center Program (SHC) funds administered by the Texas Department of Housing and Community Affairs ("Department"), to provide housing rehabilitation, reconstruction, new construction and/or Colonia SH home repair assistance program ("Colonia SHC Housing Assistance Program"), directed to very low, low, and to moderate income ("LMI") homeowners and their immediate family (spouse, parents, dependent children/grandchildren) who reside in the same housing unit located within the boundaries of the designated colonia areas to be identified in the County's contract. The assisted homeowners and other unassisted applicants for housing assistance are herein referred to as "applicants".

Proyecto Azteca (Self Help Service Provider), under the direction of Ms. Ann W. Cass, has appointed Saul Villarreal as the "Rehabilitation Coordinator" to administer the program and can be contacted at:

Corner of Business 83 and Cesar Chavez
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956-702-3307
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II. PROGRAM OBJECTIVES

The following objectives are provided for the implementation and administration of a successful Colonia SHC Housing Assistance Program.

- A. The primary objective of the Colonia SHC Housing Assistance Program is to provide decent, safe, and affordable housing for LMI applicant homeowners. This may be accomplished through new construction, colonia self help home repairs, rehabilitation or reconstruction. Rehabilitation or reconstruction must bring substandard, single family dwelling into compliance with HUD's Colonia Housing Standards ("CHS"). Colonia SH Home Repair must

bring the portion of the home repairs to Colonia Housing Standards (CHS).

1. Colonia SHC Housing Assistance Program Manager, herein referred to as the "rehabilitation coordinator", along with the assistance of family support department from Self Help Service Provider, will be the designated authority to administer the assistance components of the program, i.e., to take applications, verify eligibility, schedule inspections with a Texas Real Estate Commission (TREC) licensed inspector, coordinate and review work write ups and cost estimates, prepare bidding documents, and conduct progress inspections for submission of Housing Rehabilitation Payment Requests (draw downs).

Preliminary inspection by a third party TREC licensed inspector will be done to determine what repairs are needed. The Self Help Service Provider will prepare the work write-ups based on the recommendation of the inspector.

The rehabilitation/reconstruction activity will require two (2) inspections; a preliminary and a post inspection. New Construction will only require one inspection at the end of construction. Small Repairs will require one (1) preliminary inspection to determine the greatest needed items to be repaired. No post inspection will be required. A copy of the inspection report will be provided to all homeowners participating in these activities.

2. The Colonia SHC Housing Assistance Program will be operated in accordance with all the applicable rules and regulations of Hidalgo County and the Department.

III. HOUSING ACTIVITIES

A. New Construction/Reconstruction

New construction consists on building new homes on empty lots with qualifying families in the target colonias. Reconstruction consists of replacing dilapidated homes of families in the target colonia. Homes that will be constructed will have an innovative and energy efficient design that provides an affordable answer to widespread substandard housing in South Texas colonias. The home takes form as a two, three or four-bedroom, one-or-two-bath, basic wood frame house on piers and beams. Self Help Service Provider is concentrating on building energy efficient homes. We will be using Tex-shield, efficiency windows, solar screens, low

VOC paint, energy star appliances, florescent light bulbs, water conserving shower heads and faucets, additional insulation, just to name a few of the green building techniques that are used. Self Help Service Provider is working on providing zero-scape landscaping, which means providing landscaping with native plants and shrubs that require little or no maintenance, yet provide the needed shade to reduce the heat absorbed into the house.

B. Rehabilitation/Small Repairs

Rehabilitation will be done to homes that need infrastructure and repairs. Self Help Service Provider will assist homeowners in rehabilitating the home and bringing it up to Colonia Housing Standards. In the event that the home requires minor repairs, Self Help Service Provider will assist homeowner in doing small repairs as needed. Self Help Service Provider will ensure that the house is inspected and will evaluate the feasibility of each unit and infrastructure project. Self Help Service Provider will encourage/require families to provide sweat equity in the construction or rehabilitation of their home and provide all necessary training and tools.

IV. PROPERTY ELIGIBILITY

A. Unit Characteristics

1. Only single-family units will be eligible for housing assistance. A family is defined as one or more persons living in the same household who are immediate family. Immediate family members are considered to be spouses, parents, children, and grandchildren.
2. Manufactured homes will only be considered as eligible units if they are anchored in accordance with the manufacturer's installation instructions or the generic standards approved and promulgated by the Texas Department of Housing and Community Affairs' Manufactured Housing Division.
3. For a mobile home to be eligible for reconstruction, repairs must exceed \$10,000 as determined by the TREC inspection report.
4. Reconstruction of a housing unit will consist of a replacement with a home that will meet only the current needs of the family or individual.

5. Reconstruction of a manufactured home will consist of a replacement manufactured home.

B. **Location:** Units must be located within the targeted colonia identified in the contract.

V. CONDITION REQUIREMENTS

A. Upon completion of the rehabilitation or reconstruction, units must comply minimally with Colonia Housing Standards (CHS).

B. "Suitable for Rehabilitation" is defined as a unit occupied by LMI which can be brought up to CHS with a Colonia SHC investment not to exceed \$17,500.

C. "Unsuitable for Rehabilitation" is defined as a residential unit which has major structural conditions that were either inadequate due to original construction, or has failing foundation, floor, wall, ceiling, roof, and/or exterior systems. Systems failures or violations in electrical, plumbing, door, windows, and other building components will also be taken into consideration. The rehabilitation coordinator will document specific conditions and determine that more than fifty percent (50%) of the house must be demolished in order to comply with CHS and/or the cost of rehabilitation will exceed the maximum amount of assistance available by housing unit type or inadequate grant funds are available for the County to satisfy its contract with the Department. The TREC Inspector will provide report upon the determination of the Self Help Provider Inspection Report.

VI. TYPES OF IMPROVEMENTS

A. Improvements needed to meet Colonia Housing Standards and cost effective energy measures are eligible improvements.

B. Improvements must be physically attached to the house and be permanent in nature (e.g., sheds or garages located separately from the house are ineligible). Eligibility of attached structures such as carports or utility rooms is based upon available funds and agreement by the Department in cases where safety or the structural integrity of the house is involved.

C. Improvements will include as necessary lead-based paint abatement, asbestos abatement, handicapped accessibility for special needs, energy efficiency or ventilation items such as ceiling fans, window screens, screen doors, and window blinds.

- D. Cook stoves, refrigerators, and other necessary appliances are eligible items, but will only be considered when they are not present. Availability of funds is also contingent.
- E. Required permits, if any, will be obtained by the Self Help Service Provider at their expense and will be included in the unit costs.
- F. Assistance will not be used for luxury items, including but not limited to barbeque pits, deck around swimming pool, equipment (used commercially or industrially, farm or dairy), exterior hot tubs, flower boxes, food mixers, freezers, garage door openers, greenhouses, irrigation systems, luxury doors, saunas, spas, or whirlpools, security systems, television satellite dishes, and other items.

VII. SUPPLEMENTAL IMPROVEMENTS

- A. All debris, abandoned vehicles, and derelict buildings will be removed by the Self Help Service Provider during the solid waste removal activity. The assisted homeowners will remove whatever they are physically able to remove. If not done by the resident, they will be responsible to do the removal.
- B. 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. The third party certified inspector will conduct the initial inspection.
- C. All homes must be equipped with a hard wired or battery operated smoke detector in conformance with the Federal Fire Prevention and Control Act of 1974. If a smoke detector is not in place, the Self Help Service Provider will install smoke detector upon completion of project and before final payment is made.
- D. Home inhabited by handicapped or elderly persons must be analyzed as to the special physical needs of such persons. Improvements such as widened doorways, ramps, level entry, doorways, grab bars in bath and any other necessary improvements must be installed, if appropriate.

VIII. MAXIMUM CEILING OF HOUSING ASSISTANCE

The maximum ceiling for assistance on housing units for rehabilitating a single housing unit is \$17,500 and \$33,500 for the reconstruction of a single housing unit. (All figures exclude the cost of demolition).

IX. HOUSING ASSISTANCE

- A. **Type of Assistance** – The housing assistance provided shall be in the form of a five-year deferred payment, zero-interest forgivable loan (with the exclusion of small repairs program). A forgivable loan resembles a grant in that if the present owner retains the property for a specified period of years, no repayment is required. The forgivable loan is instituted through use of a promissory note. The assisted homeowner shall provide a mortgage lien through a deed of trust against the property to the Colonia SHC Housing Assistance Program in the amount stipulated on a related promissory note. Each year that the assisted homeowner retains ownership and resides in the home a percentage of the amount is forgiven as if it were a grant. The promissory note will be tracked by Self Help Service Provider.
- B. **Repayment Note:** If the assisted homeowner continues to occupy the home until the term of the note expires, the owner pays nothing and there are no conditions on the disposition of the property. If the property is sold or transferred, with the exception of migrant farm workers, the repayment terms of the promissory note will be enforced except in those cases addressed in paragraph C, below. If the assisted homeowner for any reason ceases to reside in the assisted unit during the contract period, only LMI persons may reoccupy the unit until the contract is administratively closed by the Department. The County will randomly check for this requirement.
- C. **Accelerated Forgiveness in Certain Cases:** In the event of (1) the death, (2) relocation to a managed care facility, or (3) relocation resulting from documented mental or physical incapacitation of the sole remaining assisted homeowner identified in the original application, the County may forgive any remaining loan balance.
- D. **Relocation Assistance:** Relocation assistance will not be offered.

X ASSISTED HOMEOWNER ELIGIBILITY – THRESHOLDS

The following are threshold requirements, which must be met for an applicant to be eligible for assistance. Eligibility does not assure funding, since it is expected that there will be more eligible applicants than can be served with available funds.

- A. **Income Eligibility.** The income limits to be utilized for the Colonia SHC Housing Assistance Program are the current income limits for LMI households established yearly by HUD for the Section 8 Housing Program. Income guidelines may change in accordance to HUD Section 8 Housing Program. Program will assist families at 80% moderate income and below LMI. See Section XI-A for further details.

Hidalgo County, Texas

Family Size	1	2	3	4	5	6	7	8
30% Very Low Income	9,150	10,500	11,800	13,100	14,150	15,200	16,250	17,300
50% Low income	15,250	17,450	19,600	21,800	23,550	25,300	27,050	28,800
80% Moderate Income	24,450	27,900	31,400	34,900	37,700	40,500	43,300	46,050

- B. **Proof of Ownership.** The applicant must be an individual (and/or spouse) who owns and occupies a single-family residential unit within the targeted colonias identified in the County's contract. Ownership can be documented as follows:
1. possesses a valid Deed of Trust or Mortgage Deed which has been filed for record with the County Clerk's office and which included reasonable rights of redemption and quiet and peaceful possession of the property as determined by the rehabilitation coordinator;
 2. possesses a life estate, which has been filed for record at the County Clerk's office;
 3. maintains a 99-year leasehold interest in the property; or,
 4. possesses a fee simple title to the property,
 5. Contract for deeds will be accepted provided they are converted into a traditional mortgage and title to the property is obtained prior to building or repairing the home.
- C. **Length of Ownership:** The unit to be rehabilitated must be the applicant's principal residence at least one year.
- D. **Property Taxes:** Applicant must furnish evidence that all property taxes assessed on the proposed property requesting assistance

have been paid prior to the award of the assistance, or the property owner qualified for and received a tax deferral as allowed by law under Section 33.06 of the Texas Property Tax Code. Should the applicant be meeting the terms of a payment plan, then the applicant can be considered current with taxes.

E. Insurance

1. Under the Colonia SHC Housing Assistance Program, the Self Help Service Provider shall counsel and purchase fire and hazard insurance to assisted homeowners. The coverage policy shall be for one year and shall commence at completion of rehabilitation/reconstruction, and new construction (excludes small repairs). Fire and hazard insurance will be provided on behalf of the assisted homeowner by the Colonia SHC Housing Assistance Program using Colonia SHC funds. The term of the policy shall be for one year. Funds to provide insurance coverage for years after the term will be the responsibility of the homeowner.
2. If the unit is located in a flood hazard area, flood insurance must be in effect for the duration of one year. Flood insurance will be purchased on behalf of the assisted homeowner by the Colonia SHC Housing Assistance Program using Colonia SHC funds. The term of the policy shall be for one (1) year. Funds to provide insurance coverage for years after the term will be the responsibility of the homeowner.

XI SELECTION OF APPLICANTS

A. Applicant Policies

1. The Colonia SHC Housing Assistance Program will benefit the number of very low, low and moderate income households cited in the Colonia SHC contract unless a change is approved by the Department. Very low to moderate income is defined by income as computed on the most current HUD Section 8 Income Limits. Any activity carried out with Colonia SHC funds that involves rehabilitation or reconstruction of property to provide housing is considered to benefit very low, low and moderate income persons only to the extent that such housing will, upon completion, be occupied by such persons.
2. Two (2) different agencies will be reviewing the applications. Application intake and preliminary approval will be done by

Self Help Service Provider and County will make ultimate final determination of approval.

3. The Colonia SHC Housing Assistance Program will ensure that every individual is treated with fairness and consistency. The adopted guidelines will apply equally to each applicant.

B. **Priorities for Evaluating Applicants.** All eligible applicants will be rated based on Self Help Service Provider's scoring system as approved by the Department in order to establish the priority of funds. Additional points will be given to people who are 30% and below.

The following is the scoring method that will be utilized by the program.

1. **Income (maximum 30 points)**

Equal to or less than 30% of the area median income limits by household size.	40	Points
More than 30% but less than or equal to 50% of the area median income limits by household size.	20	Points
More than 50% but less than or equal to 80% of the area median income limits by household size.	10	Points

2. **Disability**

Any documented disability that requires physical changes to the house to provide accommodation.	10	Points
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3. **Age**

Member of Applicant Household is less than 18 years old.	20	Points
Member of Applicant Household is 62 years old or older.	20	Points

4. **Condition of Structure**

A. Rehabilitation and Small Repair Only Rehabilitation costs are estimated at less than or equal to \$9,999	20	Points
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Rehabilitation costs are estimated to be more than \$10,000 but less than or equal to \$17,500. 10 Points

B. Reconstruction/New Construction

Reconstruction costs are estimated at less than or equal to \$9,999 10 Points

Rehabilitation costs are estimated to be more than \$10,000 but less than or equal to \$17,500. 20 Points

C. New Construction

New construction costs are estimated to be \$33,500 25 Points

TOTAL (maximum score) 90 Points

Tiebreakers will be based first upon the applicant household with the greatest number of beneficiaries, and second upon the applicant household with lowest percentage of income in relation to the income guidelines.

C. Selection and Approval of Applicants

1. Applications will be taken by interview on a designated date, time and place, and pre-qualify the applicants who meet the eligibility criteria. Applicants who clearly do not qualify will be informed in writing immediately after their interview that they do not meet baseline eligibility criteria. Applications will be retained for a period of three (3) years.
2. Applications will be directly accepted from potential Colonia SHC Housing Assistance Program beneficiaries during regular business hours of the Self Help Service Provider. There is no deadline for applications since Self Help Service Provider takes applications year round for various programs and funding streams. Self Help Service Provider will be responsible for advertising the availability of the Colonia SHC Housing Assistance Program and for accepting

applications. The County will make the ultimate approval on all applications.

3. All eligible applications will be reviewed and pre-approved by the rehabilitation coordinator using the approved evaluation and scoring criteria as determined. Applicants determined

eligible will be forwarded to Urban County Program for final approval.

4. All eligible applicants will assist in the repairs or construction of their home. Each applicant will contribute sweat equity hours as necessary. Individuals that are disabled and/or elderly will be given sweat equity hours that are in the Self Help Service Provider's hour bank. The Self Help Service Provider's hour bank are volunteer hours deposited for later use by disabled and elderly families.

They will be given the option of selecting any other family member or volunteer to do the sweat equity hours for them. Under New Construction and Reconstruction, families will need to contribute 550 hours of sweat equity. Rehab hours will be determined on a case by case basis depending on work to be done. Pictures of family contributing sweat equity hours will taken by Self Help Service Provider.

D. Income and Asset Limits

1. The gross income of households to be benefited must not exceed 80% AMFI HUD's current Section 8 Income Limits for LMI according to household size.
2. All income will be verified from independent source documentation such as W2s for the preceding 2 year period or a fully completed Verification of Employment (Fannie Mae Form 1005), certified letter from employer(s), benefit letter from the Social Security Administration, or copies of signed income tax returns. Income will be verified for all members of the household eighteen years of age and over.
3. Assets that can be quickly converted into cash are considered "liquid assets." These include bank accounts, stocks, bonds, mutual funds, and so on. Other assets include real estate excluding residence, number and value of cars, investments, and cash on hand.

4. Liquid assets in excess of 10% (excluding residence) will be considered income to the household in determining eligibility.

XII SELECTION OF APPLICANTS, LICENSED INSPECTORS, WORK WRITE-UPS AND CONTRACTING PROCESS.

- A. Upon verification of the applicant's eligibility, each application will then be rated according to a priority scoring system as submitted by Self Help Service Provider. The rehabilitation coordinator will be responsible for scoring the applications with the assistance of the family support department. All completed and eligible applications will be ranked against each other in order to establish the order of priority for assistance.
- B. After ranking the applications, the rehabilitation coordinator will conduct a property inspection of the highest ranked applicants up to the number of rehabilitations specified in the contract. A licensed inspector will conduct inspection to determine the specific items to be repaired or replaced to bring the units up to CHS and the estimated cost of those items. This list of work items will constitute the work write-up for those units and should largely reflect the items noted in the application process.
- C. Applicants will accompany the rehabilitation coordinator on the work write-up inspection in order to discuss the proposed work items. When the work write-up has been completed and a cost estimate prepared, the rehabilitation coordinator will discuss the scope of work and the effect of the cost estimate with the applicant. If the estimated cost of the work write-ups does not exceed \$17,500, rehabilitation will be recommended. However, if the estimated cost exceeds the \$17,500 maximum, the applicant's property will not be considered for rehabilitation. The property may be considered for reconstruction if funds are available and the reconstruction is approved by Urban County Program.
- D. The applicant and the rehabilitation coordinator will then sign the final work write-up and cost estimate which will in turn be utilized in the bidding process, once the applicant agrees with the scope of the work.
- E. All housing rehabilitation, reconstruction and new construction activities are required to be inspected by an individual licensed inspector by the Texas Real Estate Commission to perform home inspections prior to finalizing the work write-up. New construction will only need a post inspection done. The inspection must ensure that the construction on the house is complete, that the home is

safe, and that it meets at a minimum, Colonia Housing Standards. The licensed inspector must utilize the most current Property Inspection Report as promulgated by the Texas Real Estate Commission and all items noted on the inspection report must be corrected and repaired

- G. Each assisted unit if built before 1978 will be provided information on lead based paint.

XIII. CONTRACTOR QUALIFICATIONS

In order to be eligible to participate in the construction work financed under this Colonia SHC Housing Assistance Program, contractors must meet the following minimum requirements:

- A. The contractor must not be a debarred, suspended or ineligible contractor according to U.S. General Services Administration list of Parties Excluded from Federal Procurement and Non-Procurement Programs and the Department. Verification of contractor eligibility will be obtained from the Department prior to awarding any contract by the Urban County Program.
- B. The contractor will carry worker's compensation insurance, automobile liability insurance, and unemployment insurance as required by the State of Texas and the Rehabilitation Coordinator. Additionally, the sub-contractors must carry general liability and property damage insurance for rehabilitation work done within the county in the amount of \$500,000. This insurance must be applicable to construction work done in the county and must be in effect during the contracted period. Evidence of such insurance must be presented prior to the execution of the contract.
- C. A certificate of insurance meeting the requirements as stated in this section.
- D. Registration with the Texas Residential Construction Commission as applicable.

XIV. GRANT APPROVAL AND CONTRACTOR BID AWARD

- A. The rehabilitation coordinator will submit each eligible application, in its numerical order of ranking, along with the construction bids received for each structure to the Self Help Service Provider for their consideration. The County will make the final approval on all applications and will send correspondence to the Self Help Service Provider on all approvals.

XV. WORK INSPECTIONS AND FINAL PAYMENT

Progress inspections serve three purposes: a) to evaluate the Self Help Services Provider's progress; b) to confirm that applicable housing standards have been satisfactorily met; and c) to confirm that all requirements of the contract have been met to all parties' satisfaction.

A. Progress Inspections

1. A licensed inspector is required for inspections. Key stages are times when work such as wiring and plumbing are completed and still exposed prior to the wall or flooring being replaced. Payments will be determined as each work is completed in stages (roofing, walls, framing, etc.).
2. Inspections to approve housing rehabilitation progress payments request will be made at a time requested by the sub-contractor. These inspections will be made promptly upon request so as not to delay the processing of the contractor's payments.
3. The same person will conduct inspections each time.
4. The electrical work must be completed by an electrician with an approved license.
5. A licensed plumber must perform all plumbing work.
6. The assisted homeowner and the rehabilitation coordinator will sign off on the Housing Rehabilitation Payment Request (Form C05) acknowledging that the work was completed and meets their approval. A total of 10% will be retained from the final payment for thirty (30) days after work is completed. The 10% will be paid after it is determined that all work was completed.

B. Final Inspections by a licensed inspector.

1. When work is nearing completion, the contractor will notify the rehabilitation coordinator of a specific date when the job will be ready for a final inspection to be conducted by licensed inspector.
2. The purpose of the final inspection is to guarantee that all work called for in the contract has been completed according to specification. If progress inspections were conducted often enough to make mid-course corrections, the final inspection should only need to catch those items which have been done since the last inspection

3. The final inspection will be as thorough and deliberate as the initial inspection. Finished carpentry, painting, backfilling, electrical fixtures, all housing assistance activities, and clean-up should be closely checked for completion.
4. The rehabilitation coordinator will make sure that the assisted homeowner has received all warranties and instruction booklets for installed equipment.
5. 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 Self Help Services Provider and the rehabilitation coordinator, as a result of the final inspection, will develop the punch list. The Self Help Services Provider and the assisted homeowner can develop it prior to the final inspection. Either way, the punch list will represent work yet to be done, no additional work over and above the original or amended contract. Once the final inspection report clears all items, no other work items will be expected of the Self Help Services Provider.

C. Certificate of Completion and Owner Acceptance

After all items on the punch list have been satisfactorily completed, and all warranties issued, the project can be brought to final resolution. For purposes of accountability, the Colonia SHC Housing Assistance Program must have written documentation that the assisted homeowner and rehabilitation coordinator have accepted the work.

XVI. CHANGE ORDERS AND COST OVERRUNS

Efforts will be made to limit the number of changes made to the scope of work for each assisted unit. However, a typical rehabilitation/reconstruction contract cannot possibly cover or anticipate every contingency. For example, the initial inspection can easily miss termite damage, which is discovered during the course of the project. This damage cannot be ignored and an alteration in the scope of work is required to take care of it. This alteration is authorized by means of a change order.

The change order form provided by the Department will be utilized to explain in writing any variation from the work write-up. It will become an addendum to the contract and will be specific with respect to the work to be performed, cost and the schedule. It can be initiated by any party to the contract, but must be formally approved by the assisted homeowner, the Self Help Service Provider, and the

Urban County Program. Department approval prior to starting work on a change order activity is required and all TDHCA requirements will be met.

Change orders can cover any sort of revision to the contract, including: adjustments in the method by which a task is to be completed, adjustments to the specifications in the work write-up, change in scheduling, additional activities, or deleted activities.

XVII. CONFLICT OF INTEREST

- A. The conflict of interest regulations contained in the Colonia SHC contract between the County and the Department prohibit local elected officials, colonia SHC employees, and consultants who exercise functions with respect to Colonia SHC activities. Those persons who are in a position to participate in a decision-making process or gain inside information with regard to such activities, cannot receive any benefit from the Colonia SHC activity either for themselves or for those with whom they have family or business ties during their tenure or for one year thereafter.
- B. For purposes of this section, "family" is defined to include parents; mother-in-law, father-in-law, grandparents; siblings; sister-in-law, brother-in-law, and children of an official covered under the CDBG conflict of interest regulations at 24 CFR Sec. 570.489(h).

XVIII. Warranties and Liens

- 1. When final inspection determines that the work is completed in accordance with the contract, the rehabilitation coordinator will obtain from the homeowner a contractors request for payment. In addition, the rehabilitation coordinator must obtain from the homeowner an executed Affidavit of Completion, which must be in accordance to real property.
- 2. All work performed by the Self Help Service Provider will be guaranteed for a period of one (1) year. Such warranty will be stipulated in the construction contract between the Self Help Service Provider and the homeowner. For a period of one (1) year, the assisted homeowner may require Self Help Service Provider to correct defects or problems arising from his or her work under this contract. Should the Self Help Service Provider fail to do so, the assisted homeowner may take any necessary legal recourse as prescribed in the rehabilitation contract. A reasonable amount of time will be given to correct the problem; however, in no case will such time exceed two weeks to respond.

XIX. COMPLAINTS AND DISPUTES

Complaints are either informal or formal. An informal complaint is usually made by the assisted homeowner or Self Help Service Provider to the rehabilitation coordinator. The rehabilitation coordinator will check out all problems, informal or formal immediately. The rehabilitation coordinator will deal with complaints and disputes that are unique to the project and which affect the Colonia SHC Housing Assistance Program as a whole. Urban County Program will handle problems, which cannot be resolved by the rehabilitation coordinator. Complaints that cannot be resolved at the local level will be addressed to the Department.

Formal Procedures to Resolve Complaints. A formal procedure for dealing with construction-related disputes or complaints will have the following elements:

1. The complaint will be written on a form provided by the rehabilitation coordinator.
2. Any and all kinds of disputes or complaints may be handled formally. The person filing the complaint must initiate the formal complaint process upon submission of a complaint in writing on the prescribed form.
3. The rehabilitation coordinator will be responsible for handling the complaint. If the rehabilitation coordinator is unable to resolve the complaint, the person filing the complaint will have five (5) working days to appeal the rehabilitation coordinator's decision to the County. If the County is unable to resolve the complaint, the person filing the complaint will have five (5) working days to appeal the County's decision to the Department. The decision of the Department will be binding upon all parties involved.
4. Every step of the process will be thoroughly documented and maintained in the files.

XX. FILES AND REPORTS

The County will maintain accurate Colonia SHC Housing Assistance Program files and records for general administration activities, for each applicant, and for each assisted homeowner for a period of three (3) years as required by the Department. Such files will be open for inspection as to qualifications, bids, and awards.

XXI. CHANGES, WAIVERS, AND/OR CONFLICTS

- A. The County's governing body will have the right to change, modify, or revoke all or any part of these Colonia SHC Housing Assistance

Program guidelines by a majority vote of the governing body. However, the Department must be informed of such changes and if the changes are substantial and do not meet the Department's requirement, Department will have the final word on the issue. No waivers will be done.

Passed and approved this _____ day of _____, 2009, by
Commissioners' Court of Hidalgo County Texas.

J.D. Salinas, III
Hidalgo County Judge

ATTEST:

Arturo Guajardo, Jr.
Hidalgo County Clerk