



**COUNTY OF HIDALGO
URBAN COUNTY
PROGRAM**

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**Community Development Block Grant
(CDBG)**

**Disaster Recovery
Program**

Housing Guidelines

2008 Supplemental Disaster Recovery Fund (Hurricane Dolly)

The Urban County Program (UCP) will utilize Disaster Recovery Funds to undertake Owner Occupied Rehabilitation and Reconstruction activities for properties within Hidalgo County, effected by Hurricane Dolly. The UCP intends to administer the 2008 Supplemental CDBG Disaster Recovery Funds through its' Homeowner Occupied Rehabilitation Unsecured Deferred Forgivable Note Program (Rehab. Program) within the HOME Division. The County of Hidalgo was awarded \$2,000,000 for the Disaster Relief Program through the Community Development Block Grant (CDBG) Disaster Recovery Program 2008 Supplemental Disaster Recovery Fund for Hurricane Dolly through the Texas Department of Housing and Community Affairs (TDHCA). The Rehab. Program will allow for the utilization of CDBG Disaster Recovery Funds for homeowner repair, rehabilitation, reconstruction and new construction activities within the jurisdiction of the UCP.

A. FORM OF FINANCIAL ASSISTANCE

Assistance under this program will be delivered through the Unsecured Deferred Forgivable Note Program that provides assistance to homeowners for the rehabilitation/reconstruction or new construction of their property. Homeowner repair or rehabilitation assistance will not exceed sixty thousand and no/100 (\$60,000). Rehab properties must comply with local building codes and city ordinances as well as the entire structure must comply with local health and safety building codes, and housing quality standards (HQS) and Section 31 of the Federal Fire Prevention Act of 1974. Homeowner replacement, reconstruction and new construction will not exceed sixty thousand and no/100 (\$60,000). All reconstructed and newly constructed housing units must comply with the universal design features in new construction, established by § 2306.514, Texas Government Code, energy standards as verified by RESCHECK certification, and the International Residential Codes, as required by Subchapter G. Chapter 214, Local Government Code. All replacement housing including manufactured housing units or modular homes must comply with housing and Urban Development (HUD) construction standards, and state, local or regional building codes as applicable.

Method for determining size of reconstruction/new construction and replacement housing will be determined based on HUD Section 8 Standards.

The terms of the note is set by the UCP HOME Division but shall not exceed three (3) years. The maximum amount of assistance will be capped at \$60,000. If a particular unit has already been assisted by FEMA, SBA or the homeowner's insurance policy these funds can only be utilized for repairs not previously covered.

B. AFFIRMATIVE MARKETING

UCP shall ensure that no person shall on the ground of race, color, national origin, religion, sex, age, or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or be denied accesses to the CDBG Disaster Recovery Program. In addition to marketing through County Departments, Precincts, cities and media outlets, UCP will

take additional measures to affirmatively market the CDBG Disaster Recovery Program, as follows:

- When necessary, UCP 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.
- The UCP will retain documentation of all marketing measures used, including copies of all advertisements and announcements that will be available for public viewing upon request.
- The UCP 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.

In addition to marketing through widely available media outlets, Hidalgo County will take additional measures to affirmatively market the CDBG Disaster Recovery Fund Program services, as follows:

- Hidalgo County will advertise with the following 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.
- Applications will be accepted in person at addresses to be announced in press releases.

Administrator will accept applications as follows:

- 1) In person during regular business hours at the UCP; or
- 2) At clients homes when necessary/requested
Special 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.
- 3) Applications will be accepted until June 30, 2011.

C. APPLICANT QUALIFICATIONS

- Must be a resident of Hidalgo County;
- Must meet HUD income guidelines according to family size, thereby meeting the Low/Mod Income Program National Objective;
- Property taxes must be paid current in order for the applicant's property to be eligible for assistance. In the event delinquent taxes are owed on the property, the applicant may meet the property tax eligibility requirement by:

1. Paying all delinquent property taxes; OR
2. Qualifying for and receiving a property tax deferral as allowed under the Texas Property Tax Code 33.07 or a tax exemption pursuant to Texas Property Tax Code.

Texas Government Code 2252.903, 403.055, and 2107.008 prohibit the Comptroller from issuing a warrant or initiating an electronic funds transfer to a person who owes a debt, tax delinquency, student loan delinquency, or a child support delinquency that is subject to a payment law prohibiting the Comptroller from transferring funds.

Exception for delinquent taxes: A written payment agreement provided by the applicable taxing authority, and a written statement from the taxing authority verifying that the agreement is paid current, or for child support or student loan debt, a written payment agreement with the appropriate state agency to eliminate the delinquency, and evidence of current status on *both* the payment agreement and on any monthly payments due.

- CDBG funds may not be used to pay delinquent taxes;
- Must provide source documentation that supports that the structure was affected by Hurricane Dolly, which includes (but not limited to):
 - FEMA
 - SBA
 - Insurance
 - Published data set (for area-wide impact)
 - Pictures
 - News media;
- Must provide proof of property ownership which can be obtained through deeds or evidence of fee simple title. In absence of proof of property ownership described above, to be eligible for assistance, the applicant household must provide evidence of ownership interest in the property by doing the following:
 1. provide, on a form prescribed by TDHCA, an affidavit that sets forth how they are the successors in interest, through devise, intestacy, or conveyance, to the holder(s) or record title and that either:
 - i. there is no other person entitled to claim any ownership interest in the property;
or
 - ii. each person who may be entitled to claim an ownership interest in the property has given their consent or cannot be located after a reasonable effort and provide to the TDHCA either:
 - a. proof that they have been, for the current and last preceding tax year, and on July 23, 2008 the person reflected on the tax rolls as the owners and the person liable for property taxes; or
 - b. other evidence, reasonably acceptable to the TDHCA, that establishes that they have ownership over the property.

UCP may accept alternate forms of ownership as approved by TDHCA.

D. HUD INCOME LIMITS

The applicant's annual income must not exceed 80% of the current HUD determined area median income, adjusted by family size at the time of application.

E. ELIGIBLE PROPERTIES

To be eligible for assistance, a property must be:

- Must be within the boundaries of Hidalgo County; and
- Directly linked to damage caused by Hurricane Dolly; and
- Occupied by an income-eligible homeowner; and
- The owner's principal residence since July 23, 2008 (unless the house is uninhabitable).
- Property must qualify for Rehabilitation/Reconstruction.

The unit to be assisted must be classified as one of the following:

- Traditional single-family housing (this housing may contain one to four dwelling units); or
- A condominium unit; or
- A cooperative unit or unit in a mutual housing project (if state law recognizes these as forms of homeownership); or
- A manufactured home unit (MHU), including a mobile home. A rehabilitation of Manufactured Housing Unit's (MHU's) or mobile home is not allowed in this program.

F. ELIGIBLE IMPROVEMENT AND EXPENSES

All repairs must be for unmet need and must address structures that were directly affected by Hurricane Dolly.

Rehabilitation funds may also be used for general improvements that are "reasonable and customary" except as excluded herein. All improvements must be physically attached to the property and permanent in nature e.g. energy water heater, air-cooling and heating systems. Inspection will be conducted in order to ensure the home is brought up to HQS.

CDBG Disaster Recovery Funds may not be used for luxury items including, but not limited to: swimming pools, fences, television satellite dishes, and dishwashers.

Items damaged by Hurricane Dolly such as, air conditioners, heating systems, and water heaters are eligible to be replaced under the CDBG Disaster Recovery Program. Appliances and housing components that are not integral to the structure of the home such as washers, dryers, detached garages and carports are not eligible.

Eligible expenses also include the initial year's hazard insurance and if applicable, initial year's flood insurance policy.

G. ENVIRONMENTAL REVIEW

An environmental assessment shall be conducted for every assisted property and will be reviewed by TDHCA prior to assistance. The UCP shall follow the requirements of the CDBG program for housing related activities and submit appropriate forms and correspondence as required by TDHCA accordingly.

A prohibition of assistance will include the following, an area where Federal Assistance is not permitted such as areas subject to the coastal Barriers Resource Act, airport runway clear zones, etc.

H. ELIGIBLE ACTIVITIES

Rehabilitation – Rehabilitation shall be defined as bringing an entire structure into conformance with a pre-determined set of specifications and standards that address the entire condition of the structure. At a minimum, the rehabilitated portion must comply with housing quality standards (HQS) and local health and safety codes.

Reconstruction – Reconstruction shall be defined as the demolition, removal, and disposal of an existing housing unit and the replacement of that unit on the same lot with a unit that complies with the universal design features in new construction established by §2306.514, Texas Government Code, energy standards as verified by a REScheck certification, and the International Residential Codes, as required by Subchapter G, Chapter 214, Local Government Code. Reconstruction of a housing unit should be of a similar type structure.

Rehabilitation, reconstruction and new construction homes require compliance with Section 31 of the Federal Fire Prevention Control Act 1974.

I COSTS

Project Delivery

Allowable delivery costs are cost that can be attributed directly to housing activities. Below are examples of project delivery costs:

- Case Management costs including:
 - Case management centers that will assist in application processing
 - Reviewing housing application submitted for assistance
 - Preparing recommendations for assistance and notification to applicants
- Preparation of bid documents for construction activities
- Procurement of services or goods related to housing activities
- Contract preparation related to subcontracted activities associated to housing activities
- Technical assistance (including travel costs) associated with a specific housing project
- Costs that tie into the housing itself:
 - Inspections
 - Submitting site review documents
- Predevelopment costs associated with specific housing projects approved for funding
- Preparing budgets for specific housing projects approved for funding
- Compliance reviews, such as environmental review records directly related to housing activities
- Documenting of acquisition or labor compliance activities tied to housing units or individual assistance, and other applicable compliance areas
- Reviewing applications submitted for assistance
- Preparing recommendations for assistance and notification to applicants
- Soft costs, such as inspections, work-write ups, and cost estimates
- Construction oversight of specific housing units
- Travel costs associated with specific housing units or assistance
- Preparing reports requested by TDHCA related to housing activities
- Record keeping directly related to housing activities

Project Costs

Allowable project costs are costs that can be directly attributed to a household that has been approved for assistance. Below are examples of project costs:

- Documenting of acquisition or labor compliance activities tied to an assisted housing unit or individual assistance, and other applicable compliance areas
- Hard costs, such as labor and materials to construct housing units or direct assistance to a household to address the effects of the hurricane
- Inspections of assisted households including lead-base paint and asbestos as applicable)
- Related code enforcement, permits, or engineering activities
- Document fees associated with assistance provided to a household (for example recording fees, appraisals, legal assistance fees, etc.)

Program Administrative Costs

Program administrative costs are defined as those services that are being completed on behalf of TDHCA primarily that are not specifically linked to housing activities. Some of the costs incurred after the date of the disaster occurrence will be considered program administrative costs and others will be considered planning costs. Program administrative costs as listed in 24 CFR 570.206(a)(1) include:

1. *Providing local officials and citizens with information about the program.* This is overall program information. Actual advertising and application intake and review can be a project delivery expense.
2. *Preparing program budgets and schedules, and amendments thereto.* Program costs associated with budgeting for individual sites can be a project delivery expense.
3. *Monitoring program activities for progress and compliance with program requirements.* On-site inspections are typically project delivery costs.
4. *Coordinating the resolution of audit and monitoring finding.*
5. *Evaluating program results against stated objective.*
6. *And managing the above staff.*

Examples of program administrative costs are:

- Assistance to TDHCA in organizing public hearings and application workshops
- Communication with communities for public hearings to distribute funds and score projects
- Determining national objective compliance and eligible and ineligible activities
- Supporting the governing board(s) responsible for the method of distribution and awards
- Tabulating scores for ranking of projects
- Preparing the application for CDBG Disaster Recovery funding to be submitted by each Subrecipient
- Preparing draw requests to TDHCA for services provided and subcontractors (housing)
- Attending implementation workshops conducted by TDHCA
- Responses to open records requests
- Responses to monitoring reports and resolving monitoring or audit issues
- Developing and assembling quarterly reports for housing activities Desk reviews or on-site contract management for housing activities (to review activities completed by subcontractors)
- Single audit costs associated with housing services provided by the Subrecipient or its subcontractors as applicable

J. APPLICANTS INELIGIBLE FOR ASSISTANCE

- When an applicant who has more than one dwelling structure on the property to be assisted unless the applicant agrees to remove the excess structure upon the execution of the construction contract.

- Any applicant whose property is located within the 100-year floodplain (FEMA Insurance Rate Maps) shall generally not be eligible for assistance unless approved by the UCP Director - contingent on such factors as additional construction costs (to deter flooding) and insurance costs and their respective impact on affordability.

K. HOMEOWNER'S RESPONSIBILITIES

- Maintain the home as their principal address for a period of at least three (3) years; and
- Maintain home insurance coverage (not less than contract amount), inclusive of fire and flood insurance (if applicable); failure to maintain flood insurance WILL prohibit future assistance; and failure to maintain hazard insurance MAY prohibit future assistance; and
- Keep current on all property taxes or have a tax deferral, tax exemption or be current on an approved repayment plan.

The Urban County Program will not be responsible for lost or damaged belongings of the Homeowner that may have occurred during the rehabilitation. Therefore, the homeowner must secure or relocate their belongings until the rehabilitation is complete. If Property is damaged through negligence of the Contractor, arrangements will be made by the contractor to reimburse the Homeowner.

Whenever possible the Contractor will make an effort to minimize the impact of the construction on the Homeowner. Work shall be carried out swiftly and directly. Electric, water, sewer and gas service will not be interrupted for more than twelve (12) hours without written approval by the Homeowner. Heat will be provided at all times during the winter months. Doors, windows and any other large openings or air leaks will be repaired on the same day. The work area shall be secured at all times.

The Work area shall be left clean and free from clutter at the end of each day and the contractor, not the Homeowner will be responsible for the storage of materials and tools.

The homeowner will be restricted from sale/transfer, including the leasing or renting of the property or alteration of property (unless: ADA modifications are necessary); this will require prior authorization from UCP. If the property is sold/ transferred, the homeowner will be responsible for repaying the Note to Hidalgo County in accordance to the terms of the Note.

L. SPECIAL CONDITIONS

As is customary within the Urban County Program to safeguard the public funds, we will monitor the homeowner for compliance through the three-year affordability period of the Note.

A release of lien will be issued and filed after the affordability time period has been met.

Voluntary Homeowner rehabilitation does not trigger relocation requirements for the homeowner. Therefore, the homeowner must temporarily relocate at their own expense during the rehabilitation of their home.

M. SELECTION PROCESS

Applications for assistance under any of the Housing Programs will be processed and reviewed by the UCP. Incomplete applications will not be accepted. An applicant has 30 days to complete an application for assistance. If incomplete application is not received within 30 days, it will be withdrawn and the applicant will have to reapply. The UCP will formally accept or reject all applications for assistance based on information received from the applicant, HUD criteria and subsequent amendments or modifications, title company reports, taxing entity reports and any other sources used to verify the information provided by the applicant. Applicants shall be advised of their application status in writing.

All applicants will be listed by date order and served on priority basis as described in the Priority Rating System Form (see attachment) in batches of twenty (20). If for any reason the applicant denies or refuses services at the point services are offered, their application shall become null and maintained in a separate filing system. Should the applicant reconsider their decision and again request services, a new application must be made and the applicant will be placed at the end of the list. Also, if an applicant delays their case for more than thirty (30) days (ex. document/information request, deciding to accept services, etc.), their application will be placed at the end of the list.

N. APPEALS PROCESS

All complaints arising from the CDBG Disaster Recovery Program shall initially be addressed by the HOME Manager. If the complaint cannot be resolved at this level, the complainant can request the item be forwarded to the UCP Director for resolution. Should the complaint not be resolved at this level it will be forwarded to the Hidalgo County Commissioners Court for consideration and resolution. If however, the complaint cannot be resolved at this level, the complainant will be referred to TDHCA for final resolution. All proceedings and communications relative to the complaint shall be appropriately documented and a file containing all such documentation shall be established and maintained by the HOME Program Division.

O. HOUSING ASSESSMENT

After an application is determined eligible for assistance, the Rehabilitation Specialist shall arrange a home visit with the homeowner to assess the extent of assistance needed. The Rehabilitation Specialist (Inspector) shall then formulate a work write-up/inspection that will address the deficiencies identified with the home. Photographs of the interior and exterior (front

and back) of the property may be taking during the inspection or construction process. The work write-up is then presented and discussed with the homeowner. Homes that require more than 50% of its appraised value in rehabilitation shall be reconstructed. The Program does not allow rehabilitation of MHUs.

P. PROCUREMENT

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, free and open competition. Attention is given to potential organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition. Guidance on undertaking specific procurement transactions is provided in the County of Hidalgo Purchasing Policies and Procedures and the Urban County Program Procurement Standards. UCP will ensure that all contractors adhere to all laws which prohibit discrimination in housing and, in an affirmative manner.

Q. CONTRACTOR SELECTION

After the homeowner approves the work write-up presented by HOME staff, the UCP shall advertise the proposed work for bids from qualified contractors. Only bids from contractors on the UCP approved contractors list shall be considered. A minimum of fifteen (15) days will be allowed from the date the bid is first advertised to the date of bid opening in order to allow qualified contractors enough time to submit an informed bid. (TDHCA must approve the setup prior to any work) The UCP will adhere to the County of Hidalgo's bid procurement process and as such, contractors must coordinate their bid submissions through the Hidalgo County Purchasing Department. HOME staff will hold pre-bid conferences with contractors in order to address or discuss bid specifications, floor plans, site locations or any other relevant information. The bid must be within 15% of the initial cost estimate. If the bid is too high, one of the following will occur: 1) request the bidder to review his or her bid to determine if any items were priced inappropriately and to revise his/her bid accordingly or 2) Hidalgo County will re-bid the project in its entirety. If errors are confirmed in the original cost estimate, appropriate estimate adjustments shall be made to effectively compare the bids to this estimate. The UCP will accept the lowest bid from a qualified contractor unless extenuating circumstances exist that would create an unfavorable situation for the UCP or the client. UCP approved bids and related contract documents will then be presented to the Commissioner's Court for final approval. The UCP reserves the right to limit the number of bids awarded to contractors in each bid cycle if it determines that a low-bidding contractor is overextending his capability to perform quality work in a timely fashion. In such circumstances, the extra bids will be awarded to the next lowest bidder. In these situations, the lowest bidder will receive the bids from the oldest applications as indicated by application date with the next lowest bidder awarded the projects next in line and so forth. This determination shall be made by the UCP Director after consultation with the HOME Manager.

Bidders proposals will be in effect for a period of thirty (30) days from the date of bid closing. The successful bid shall be awarded during this period. A Notice to Proceed will then be signed

by the Homeowner, Contractor, Home Manager and UCP Director no later than fifteen (15) days from the bid award date. If the foregoing time limits are exceeded, it shall be the bidder's prerogative to withdraw the bid in writing, if so desired.

If all bids are over the maximum note limit, the proposed work write-up shall reviewed to decide what items, if any, can be eliminated.

R. CONTRACTOR QUALIFICATIONS

In order to be eligible to participate in the construction work financed under the rehabilitation program, contractors must meet the following minimum requirements:

1. The Contractor must not be a debarred, suspended, or ineligible contractor according to the U.S. General Services Administration's "List of Parties Excluded from Federal Procurement or Non-Procurement Programs". And the State's Debarment List Verification of contractor eligibility shall be obtained from TDHCA prior to awarding any contract to the Contractor.
2. The Contractor must certify that he or she will not discriminate against any protected group of persons under State and Federal law. Whenever possible, program administrators will give opportunities to low income workers to Historically Underutilized Businesses (HUBS) and will make an affirmative effort to encourage bids from such contractors.
3. The Contractor must carry a \$500,000 Comprehensive General Liability insurance policy providing additional coverage to all underlying liabilities of County. The Contractor must also carry Automobile Liability insurance with limits of at least \$300,000 per person and \$500,000 per occurrence and Workers Compensation Insurance. Coverage should include injury to or death of persons and property damage claims with limits up to \$500,000 arising out of the services provided to County hereunder. Certificates of insurance naming County as an additional insured shall be submitted to County for approval prior to any services being performed by Contractor. Each policy of the insurance required hereunder shall extend for a period equivalent to, or longer than the term of the contract, and any insurer hereunder shall be required to give at least 30 days written notice to the County prior to the cancellation of any such coverage on the termination date, or otherwise.
4. The Contractor must have submitted all contractor certifications and proof of insurance and payment and performance bonds prior to the execution of any construction contract.
5. Acceptable work references and credit history must be verified for each participating contractor. The Contractor will be considered to be a non-responsible bidder if his/her past performance on rehabilitation projects was not acceptable.

S. CONTRACTOR RESPONSIBILITIES

Contractors are required to ensure that all subcontractors they hire to assist them on awarded projects are reputable, competent and in good standing with the County of Hidalgo, the State and the Federal Government. Contractors shall be responsible for obtaining the required building permits in order to initiate construction activities and shall assume the fee for the same. It shall further be the contractor's responsibility to request code compliance inspections as they become necessary and pertinent. The Contractor shall be held responsible for any violation of local ordinances and any penalties levied as a result thereof. Also, the contractor will rehab./reconstruct housing units to conform to Title 24 982.401 Housing Quality Standards (HQS) and reconstruction/new construction will comply with the universal design features in new construction, established by §2306.514, Texas Government Code, energy standards as verified by a REScheck certification, and the International Residential Codes, as required by Subchapter G, Chapter 214, Local Government Code. As well as, compliance with Section 31 of the Federal Fire Prevention Act of 1974.

Contractor shall review bid specifications with the accompanying floor plans and contrast them with the project site in order to acquire a clear and accurate understanding of the scope and scale of the proposed project. Should any items become apparent that would not meet industry construction standards, applicable codes, ordinances or minimum property standards that were not addressed either by error or omission in the bid specifications, work write-up or floor plans, the Contractor is required to bring the items to the attention of UCP HOME staff immediately.

Contractors are required to provide all transportation, material, labor, apparatuses and tools necessary to bring the project to completion in a timely fashion and in the best condition possible. All labor is to be done in a skillful and thorough manner and consistent with the industry standard. All material used is to be of the dimension, design and grade as specified. All patented materials specified by trade name are to be applied or installed strictly according to manufacturer's specifications.

Property items that were not called for removal in the specifications shall be replaced or reinstalled by the Contractor prior to the final inspection. Any additions or reductions to the Work Write-up and/or Contract need to be approved by the Subrecipient after the change order has been signed and dated by the homeowner and contractor. Changes might include trees, shrubs or plants that need to be cut or removed to facilitate the construction. In these instances, the Contractor must exercise prudent judgment and consult with the homeowner by acknowledgement of the change order and approval by the Subrecipient prior to undertaking any changes.

Contractor is required to begin work on the project within ten (10) working days after receiving the Notice to Proceed. Note: Notice to Proceed cannot be released until after TDHCA approves the setup in the Contract System. No extensions beyond the allotted number of days called for in the construction contract shall be allowed. The only exception given in this case are rain days given on a case to case basis. One additional workday is allowed for each rain day occurrence. Contractors are required to request the additional workdays in writing within two days from the rain day. A day is defined as any point beyond 9:00 a.m. that the homeowner has not been given

possession of the home.

Such replacement Contractors shall be paid from the 10% retainage withheld from the primary Contractor.

Contractors may request two interim draws upon that specified completion of work. No advanced funds shall be requested/paid under this Program. Upon 100% completion, contractor may request the Final Draw (90%/10%). If the Final Inspection fails, the contractor cannot request a final draw. A 10% retainage of the project budget will be withheld for 30 days (except with MHUs) following Final Inspection. If any/all warranty items become known during this period, all work must be repaired/fixed before the retainage will be released.

T. DISPUTES

Contractor shall guarantee all work performed for a minimum of one year (exceptions below) from the date of final acceptance by the homeowner and/or the UCP. Corrective actions on 3-month warranty items are strictly required from the Contractor. Deficiencies brought to the attention of the Contractor must be corrected within 10 working days unless a clear and present danger to the homeowner or property exists. In this case, the situation must be addressed immediately but no later than a 24-hour timeframe. Should a Contractor fail to repair the items/deficiencies brought to his attention within the specified timeframe, the homeowner may take legal recourse against the contractor as outlined in the construction contract.

Homeowners and Contractors are encouraged to resolve any disputes among themselves. If Homeowner and contractor are not able to reach a mutual agreeable solution, then the dispute may be brought before the HOME Division Manager to review the situation and make a resolution ruling. If the ruling is unacceptable to either parties, then either may request the situation to be reviewed by the Executive Director. If there is still no resolution, cases will be handled by TDHCA and if necessary, their governing board. Should all measures fail to bring about and amicable resolution, either parties may seek legal recourse as defined in the Construction Contract.

U. LEAD-BASED PAINT TESTING & LEAD HAZARD REDUCTION PLAN

All applicants qualifying for assistance will have their homes tested for lead-based paint according to HUD guidelines if their home was constructed prior to January 1, 1978 except under the following:

Residential structures built after January 1, 1978.
Emergency action activities only.

Existence of Lead Based Paint Unlikely:

1. Properties found not to have lead-based paint during earlier testing that meets the requirements of prior evaluations.
2. Properties where all lead-based paint has been identified and removed using approved methods.

Human Threat Unlikely

1. Unoccupied units that will be demolished.
2. Property not used for human residential habitation. This does not apply to common areas such as hallways or stairways or residential and mixed-up properties.
3. Rehabilitation that does not disturb paint.

Child Occupancy Unlikely

1. Property has no bedrooms
2. Elderly and disabled housing.

Any expenses classified as costs related to Lead Hazard Evaluation and Reduction Costs shall be covered by the note.

Homeowners shall be provided with information about the hazards of lead-based paint. Testing shall be completed by certified lead-based paint testing personnel. Personnel shall be required to follow all HUD standards regarding the testing of lead-based paint. In situations where the presence of lead-based paint is found, the UCP will undertake the following levels of intervention and action:

- Rehabilitation activities less than \$5,000 – Safe work practices and work site clearance
- Rehabilitation activities between \$5,000 and \$25,000 – Risk assessment and interim controls
- Rehabilitation activities over \$25,000 – Risk Assessment and abatement

The following actions will be taken to protect occupants from lead-based paint hazards associated with lead hazard reduction activities:

- Occupants may not enter the work site during lead hazard reduction activities. Re-entry is permitted only after lead hazard reduction activities are completed and the dwelling has passed a clearance examination.

- Occupants of the unit must temporarily relocate during lead hazard reduction activities.

V. CONFLICT OF INTEREST

The UCP covenants that neither member of its organization nor staff member who exercises influence on the decision making process presently has or will have any interest, direct or indirect, with any person, corporation, company or association hired to carry out any program activities or is a beneficiary of any program activity. All applicants will be required to sign a Conflict of Interest Statement under which any existing or potential conflict of interest must be revealed.

In accordance with the Department of Housing and Urban Development (HUD) CDBG reg. 24 CFR 570.611, (b) Conflicts of Prohibited, the following conflicts are prohibited:

- (A) No Person described in paragraph (b) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with the CDBG Disaster Recovery funds or who are in a position to participate in a decision making process or gain inside information with regard to this activities, may obtain a financial interest or benefit from Disaster Recovery activities, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
- (B) The conflict of interest provisions of paragraph (a) of this section apply to any person who is an employee, agent, consultant, officer or elected official or appointed official of the UCP, or sub-recipient which are receiving CDBG Disaster Recovery funds.
- (C) Exceptions: Threshold requirements. Upon the written request of the UCP, the Department of Housing and Urban Development (HUD) may grant an exception to the provisions of paragraph (a) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the CDBG Disaster Recovery Program and the effective and efficient program and project administration of the UCP. An exception may be considered only after the UCP has provided the following:
 - 1. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
 - 2. An opinion of the Urban County Program's attorney that the interest for which the exception is sought would not violate State or Local Law.
- (D) All applicants will be required to sign a Conflict of Interest Statement.

W. FILES AND RECORDS

The UCP shall maintain accurate files and records on each applicant and shall retain all pertinent documentation for a period of five years after the end of the TDHCA Contract. Records will be made available for governing bodies of the program upon request. Such records will be open for public inspection (including financial records) in accordance with the Texas Public Information Act.

PRIORITY RATING SYSTEM

The following rating system will be used for all applicants filed for processing. When there are more applications to be processed than Disaster Recovery funds can assist, those applications with the highest rating will receive priority.

I.	Unit Characteristics	Points
A.	Uninhabitable -The condition of the house has caused household members to be homeless or involuntarily displaced by causing an imminent threat to their safety.	50
B.	Substandard -The damage to the home has caused inaccessibility to disabled household members. The unit conditions are contributing to serious/chronic health related issues.	30
C.	Minimal Damage -Property affected by Hurricane but does not meet the uninhabitable or substandard definition	15
II.	Household Characteristics	
	Elderly (62 yrs of age and over) and disabled	25
	Elderly (62 yrs of age and over)	20
	Single (non-elderly), disabled, with dependent children	25
	Single and disabled	20
	Household, disabled, with or without dependent children	20
	Single with dependent children	15
	Single (non-elderly)	5
	Household with or without dependent children	5
III.	Household Size	
	over 5 members	25
	3 – 5 members	10
	1 – 2 members	5
IV.	Household % Area Median Income	
	30% and below	25
	31% - 50%	15
	51% - 80%	10