

HIDALGO COUNTY

GUIDELINES FOR HIDALGO COLONIA SELF-HELP CENTER (SHC)

COLONIA HOUSING ASSISTANCE PROGRAM

**RESIDENTIAL REHABILITATION/RECONSTRUCTION/NEW
CONSTRUCTION/SMALL HOME REPAIR**

I. INTRODUCTION

Hidalgo County ("the County") has received Colonia Self-Help Center Program (SHC) funds administered by the Texas Department of Housing and Community Affairs ("Department"), to provide a Residential Rehabilitation, Reconstruction, New Construction and/or Small Home Repair assistance program herein referred as the Colonia Housing Assistance Program (CHAP). The program will be directed to very low, low, and 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 five designated colonia areas identified in the County's contract: El Charro Subdivision #2, Colonia Lucero Del Norte, Country View Estates, Indian Hills Subdivision I (East of FM 491), and Indian Hill Subdivision II (West side of FM 491). The assisted homeowners and other unassisted applicants for housing assistance are herein referred to as "applicants."

Hidalgo County Urban County Program, Self Help Center Coordinator, herein referred to as the "SHC Coordinator", has been appointed by the County to administer the program and can be reached at:

1916 Tesoro Blvd.
Pharr, TX 78577
956-787-8127

_____, Non-profit employee, herein referred to as the "CHAP Coordinator", has been appointed by the County to administer the program and can be reached at:

II. PROGRAM OBJECTIVES

The following objectives are provided for the implementation and administration of a successful CHAP.

A. The primary objective of the CHAP is to provide decent, safe, and affordable housing for LMI applicant homeowners. This may be accomplished through small home repairs, residential rehabilitation, new construction or reconstruction. Residential rehabilitation must bring substandard, single family dwelling into in compliance with HUD's Section 8 Existing Housing Quality Standards ("HQS"). Small Home Repair must bring the portion of the home repaired to HQS. Homes built through reconstruction and new construction methods must meet, at a minimum, 2006 International Residential Code.

1. The CHAP Coordinator 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 (if any), and conduct progress inspections for submission of Payment Requests (draw downs).
2. The SHC Coordinator will oversee all non-profit activities and have final decision making authority on applicant eligibility.
3. The CHAP will be operated in accordance with all the applicable rules and regulations of the County and the Department.

III. 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 CHAP are the current income limits for LMI households established yearly by HUD for the Section 8 Housing Program. Income guidelines may change with accordance to HUD section 8 Housing Program. Household eligibility will be 80% or below LMI.

HIDALGO COUNTY - 2012 INCOME LIMITS

Family Size	1	2	3	4	5	6	7	8
30% Very Low Income	10,400	11,850	13,350	14,800	16,000	17,200	18,400	19,550
50% Low income	17,300	19,750	22,200	24,650	26,650	28,600	30,600	32,550
80% Moderate Income	27,650	31,600	35,550	39,450	42,650	45,800	48,950	52,100

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 CHAP 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 must be converted into a traditional mortgage and have title to the property prior to being assisted under the CHAP.

C. **Length of Ownership:** The unit must be the applicant's principal residence for at least two (2) years prior to application date. Homeownership verification may include but not limited to payment history on utilities, phone bills, school records or tax statements.

D. **Property Taxes:** Applicant must furnish evidence that all property taxes assessed on the property proposed for 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.

An applicant who is meeting the term of a repayment plan, may only participate in the Small Home Repair program.

E. **Insurance**

1. Under the CHAP, a fire and hazard insurance must be provided to assisted homeowners. The coverage policy shall be for one year and shall commence at completion of residential rehabilitation/reconstruction/new construction. Fire and hazard insurance will be purchased on behalf of the assisted homeowner by the CHAP using Colonia SHC funds. Funds to provide insurance coverage for years after the one year 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 CHAP using Colonia SHC funds. The term of the policy shall be for up to one year. Funds to

provide insurance coverage for years after the one year term will be the responsibility of the homeowner.

3. No insurance is required for the Small Home Repair program.

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 other 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 not be rehabilitated under the C HAP.
3. Residential rehabilitation costs that exceed \$20,000 will require reconstruction. If reconstruction funds are not available, the County will exercise the right to walk away.
4. Reconstruction of a housing unit will consist of the demolition and replacement of 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.
6. New Construction is the construction of a new single residential unit.
7. Small Home Repair is rehabilitation not exceeding \$4,000 and items repaired are prioritized through the TREC preliminary inspection report.

B. **Location**

Units must be located within the 5 targeted colonias identified in the SHC contract.

V. **CONDITION REQUIREMENTS**

- A. Upon completion of the residential rehabilitation, units must comply minimally with HQS.

- B. "Suitable for Residential Rehabilitation" is defined as a unit occupied by LMI which can be brought up to HQS with a Colonia SHC investment not to exceed \$20,000.
- C. "Unsuitable for Residential Rehabilitation" is defined as a residential unit which has major structural conditions that were either inadequate original construction, or has failing foundation, floor, wall, ceiling, roof, and exterior systems. Systems failures or violations in electrical, plumbing, door, windows, and other building components will also be taken into consideration. The CHAP Coordinator will document specific conditions prior to the 1st inspection by a TREC licensed inspector and determine if more than fifty percent (50%) of the house must be demolished in order to comply with HQS.

VI. TYPES OF IMPROVEMENTS

- A. Improvements needed to meet HQS. 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 of the structural integrity of the house is involved.
- C. Improvements will include as necessary lead-based paint abatement, asbestos abatement, 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 or the repair would not be cost effective. Such items are contingent upon availability of funds.
- E. Required permits, if any, will be obtained by the awarding non-profit and/or sub-contractors (if any) at their expense and will be included as part of the bid 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 as determined by the CHAP Coordinator. Fences may be allowed only for health and/or safety reason which can be supported with property documentation.

VII. SUPPLEMENTAL REHABILITATION IMPROVEMENTS

- A. All debris, abandoned vehicles, and derelict buildings must be removed from the property prior to the start of rehab work or the moving of the house for new construction or reconstruction. The assisted homeowners will remove whatever they are physically able to remove. If assistance is needed applicants must notify the CHAP coordinator.
- 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.
- 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.
- D. A home inhabited by a person with disabilities or an elderly person must be analyzed as to the special physical needs of such persons. Improvements such as widened doorways, ramps, level entry and doorways, and grab bars in bath must be installed, if appropriate.

VIII. MAXIMUM CEILING OF HOUSING ASSISTANCE

The maximum ceiling for assistance on single housing units are as follows: residential rehabilitation \$20,000, small home repair \$4,000 and \$50,000 for the reconstruction and new construction of a single housing unit. (All figures include 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. 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 CHAP in the amount stipulated on a related promissory note. Each year the assisted homeowner retains ownership and resides in the home a percentage of the amount is forgiven as if it were a grant. Assistance under the Small Home Repair program shall be in the form of a grant.
- 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, transferred or vacated by the assisted homeowner for any single period that exceeds thirty (30) days during the five-year forgivable loan period, the repayment terms of the promissory note will be enforced except in those cases addressed in paragraph IX.C below and with the exception of migrant workers who may be out for more than 30 days due to employment. 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.

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 provided. Participation in the CHAP by the assisted homeowners is voluntary.

X. 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, County and colonia SHC employees, consultants and contractors who exercise functions with respect to Colonia SHC 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 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 (including mother-in-law & father-in-law), grandparents, siblings (including sister-in-law and brother-in-law, and children of an official covered under the CDBG conflict of interest regulations at 24 CFR Sec. 570.489(h).

XI. SELECTION OF APPLICANTS

A. **Applicant Policies**

1. The CHAP 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. Income eligibility 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, new construction or reconstruction of property to provide housing is considered to benefit very low, low

and moderate income persons only to the extent such housing will, upon completion, be occupied by such persons.

2. The CHAP will not benefit above moderate-income persons (up to 80% area median family income) to the exclusion of low-income persons (up to 50% area median family income).
3. The CHAP 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 first come first serve basis.

C. Selection and Approval of Applicants

1. The CHAP Coordinator will be responsible for advertising the availability of the CHAP. He/she will also be responsible for application intake.
2. Applications will be taken by face to face interviews during regular working hours until all funds are exhausted. Applicants who clearly do not qualify will be informed in writing immediately after their interview that they do not meet baseline eligibility criteria.
3. All eligible applications will be reviewed and pre-qualified by the CHAP Coordinator and then forwarded to the County for final approval.
4. All eligible applications will be reviewed and approved by SHC coordinator.
5. All eligible applicants will assist in the repairs or construction of their home. Each applicant will contribute Sweat equity hours as necessary. Persons with disabilities and/or elderly will be given sweat equity hours (if available) in the hour bank. They will have the option of having any other family member or volunteer to do the sweat equity hours for them.

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 paycheck stubs for a 3 months period or a fully completed Verification of Employment Form (Fannie Mae Form 1005), certified

letter from employer(s), benefit letter from the Social Security Administration, or copies of signed income tax returns and W-2s for the preceding 2 years. Income will be verified for all members of the household.

3. Assets that can be quickly converted into cash are considered liquid assets. These include bank accounts, stocks, bonds, and mutual funds. The applicant's liquid assets will be included for income calculation purposes.

XII. CHANGE ORDERS AND COST OVERRUNS

Effort will be made to limit the number of changes made to the scope of work for each assisted unit. However, a typical rehabilitation/reconstruction/new construction contract cannot possibly cover or anticipate every contingency. For example, the initial inspection for a rehabilitation project 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 contractor, and the CHAP and SHC Coordinators. Department approval is required for all change orders.

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 or deleted activities.

Change order must conform to the TXCDBG requirements described in Section 5.2.5, including:

1. Sufficient grant or local funds are available to meet any increase cost;
2. The original contract price has not been increased by more than 25%;
3. All items listed on Change order were competitively procured through The original bid or TxCDBG has approved an exception; and
4. All items listed on the Change Order Comply with the TxCDBG contract including the Performance Statement and environmental review requirements.

XIII. SELECTION OF APPLICANTS, LICENSED INSPECTORS, WORK WRITE-UP, AND CONTRACTING PROCESS

- A. Upon applicant eligibility, all housing rehabilitation and reconstruction activities must be inspected by an individual licensed by the Texas Real Estate Commission to perform home inspections prior to finalizing the work write-up. 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 (with the exception of the small home repair program). Septic systems are not optional items for review under this program and must be inspected by the licensed TREC inspector. A copy of the preliminary inspection report will be provided to the assisted homeowner.
- B. The CHAP Coordinator will accompany the TREC inspector on all rehab/reconstruction inspections. The CHAP Coordinator will determine the specific items to be repaired or replaced to bring the units up to HQS standards and based on the TREC inspection report for rehab projects. This list of work items will constitute the work write-up. The CHAP Coordinator will also provide cost estimates for the repairs needed under the work write up.
- For the Small Home Repair, the items with the highest safety concerns will be a priority to be corrected.
- C. All work write ups must be submitted, reviewed and approved by the Department.
- D. Each assisted unit if built before 1978 will be tested for the presence of lead based paint. If present, the removal of lead based paint will be considered in the costs of rehabilitation. Lead paint inspection provides two benefits: (1) the costs of abatement are considerable and must be factored into the cost estimates for rehabilitation and (2) the health risks to residents, particularly children, may be severe so any presence of lead based paint in an assisted unit, even one that is to be reconstructed, must be reported so that the residents may seek appropriate medical attention. If the rehabilitation cost is determined to exceed the budget amount per unit, the Colonia SHC will exercise its right to walk away.
- E. When the work write-up has been completed and cost estimates prepared, the CHAP Coordinator will discuss the scope of work with the applicant. If the estimated cost of the work write-ups does not exceed \$20,000, rehabilitation will be recommended. However, if the estimated cost exceeds the \$20,000 maximum, the applicant's property will not be considered for rehabilitation. The property may be considered for reconstruction if funds are available. The maximum for small home repairs is capped at \$4,000.

- F. Once the applicant agrees with the scope of work, all parties will sign the final work write-up and cost estimate. If a sub-contractor is to be used, the items on the final work write up will be utilized in the bidding process. If no sub-contractor is to be used then the awarding non-profit and applicant will sign a construction agreement.
- G. The CHAP Coordinator will follow procurement procedures for hiring building contractors, if such contractors are needed.
- H. A pre-construction conference between the assisted homeowner, CHAP Coordinator, sub-contractors (if applicable) and SHC Coordinator will be conducted to insure all parties are in agreement about the work to be completed. The pre-construction conference will consist of two parts: Part 1 deals with basic contract and procedural issues: begin and end dates of the contract, terms of the contract, payment schedule, inspections, requirements, responsibilities, change orders, lead-base paint requirements, complaints and conflict resolution and other programmatic procedures. Part 2 will consist of a walk-through of the house. All parties should understand how the work will proceed. Instructions will be given regarding clean up to be done by the homeowner prior to the work and by the awarded non-profit (or sub contractors) after the work is completed.
- I. For Small Home Repair – the CHAP Coordinator will procure materials needed and ensure they are delivered to the applicant's home. Applicant shall sign an acknowledgement letter for the material. One month will be allowed for the repairs to be completed. Additional time may be granted to the applicant based on extenuating circumstances. CHAP Coordinator will ensure applicant has proper guidance to complete the repairs on his/her home.

XIV. CONTRACTOR QUALIFICATIONS

In order to be eligible to participate in the construction work financed under this CHAP, 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. Verification of building contractor eligibility will be obtained from the Department prior to awarding any contracts.
- 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 contractor 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.

- D. The electrical work must be completed by an electrician with an approved license.
- E. A licensed plumber must perform all plumbing work.
- F. A certificate of insurance meeting the requirements as stated in this Section.

XV. WORK INSPECTIONS AND FINAL PAYMENT

Progress inspections serve three purposes: a) to evaluate the contractor'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 not required for progress inspections.
- 2. Inspections to approve payment requests will be made upon request by the CHAP Coordinator and/or its sub-contractor. These inspections will be made promptly upon request so as not to delay the processing of the payments.
- 3. The same person will conduct inspections each time.
- 4. The assisted homeowner and the CHAP Coordinator will sign off on the Housing Rehabilitation Payment Request (Form C05) acknowledging that the work was completed and meets their approval. If the assisted homeowner is not satisfied with any aspect of the work, Form 28 should not be signed until the work is completed. Form 28 must be submitted for a drawdown for housing rehabilitation to be approved.

B. Final inspections by a licensed inspector.

- 1. When work is nearing completion, the CHAP Coordinator will arrange a specific date when the job will be ready for a final inspection to be conducted by a TREC 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 and that the home has been brought up to HQS or

IRC standards (with the exception of the Small Home Repair program which does not require a final 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 CHAP Coordinator will make sure that the assisted homeowner has received all warranties and instruction booklets for installed equipment.
5. If the home does not pass final TREC inspection, a punch list will be developed. A punch list is a listing of items written as specifications, which constitute the work necessary to be completed under the contract. The punch list will represent work yet to be done, not additional work over and above the original or amended contract. Once the punch list has been prepared, no other work items are expected of the contractor. When all the items on the punch list have been corrected, the TREC inspector will make an additional final inspection on the property to clear all items. **Fees for additional inspections resulting from unfinished or incomplete work will be the sole responsibility of the awarded non-profit or sub-contractors (whichever applies).**
6. A copy of the final inspection report will be provided to the assisted homeowner.

C. **Certificate of Completion and Owner Acceptance**

1. After the final inspection has cleared, a release of lien form and a request for payment will be obtained from the sub-contractors (if any) and submitted to the SHC Coordinator.
2. For the purpose of accountability, an owner acceptance form must be signed by the assisted homeowner where they accept and verify that the work under the contract was completed.
3. In addition, the CHAP Coordinator must obtain from the homeowner an executed affidavit of completion which must be in accordance to real property.
4. The applicant will then execute a deferred forgivable promissory note secured by a deed of trust. The deed of trust will be filed in the county's real property records.
5. After receipt of these items, the CHAP Coordinator will order a request for funds, and upon receipt of the funds, disburse the funds to the awarding sub-contractors (if any). The county must retain 10% of the funds for no

less than 30 days. The 10% retainage will be paid after the 30 day period if and only if there are no pending construction concerns from the assisted homeowner.

6. If any problems are identified during this period, the CHAP Coordinator will then notify the sub-contractors (if any) to come back and correct the problem within a reasonable amount of time, not to exceed 2 weeks. Should the awarded party fail to do so the county will not disburse the retainage. The assisted homeowner may take any necessary legal action to debar the awarded party from performing any future work in the County. In addition, should the awarded non-profit and/or sub-contractor be doing other work under the CHAP and fails to correct any warranty problems, no other payments will be made to him/her until such problems are corrected.

D. **Warranties and Liens**

1. All work performed by the awarded non-profit and/or sub-contractor will be guaranteed for a period of one (1) year from the move in date. Such warranty will be stipulated in the construction contract between the contractor and the homeowner. For a period of one (1) year, the assisted homeowner may require the contractor to correct defects or problems arising from his or 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 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.

XVII. COMPLAINTS AND DISPUTES

Complaints are either informal or formal. An informal complaint is usually made by the assisted homeowner or contractor to the CHAP Coordinator. The CHAP Coordinator will check out all problems, informal or formal immediately. The CHAP Coordinator will deal with complaints and disputes that are unique to the project and which affect the Colonia Housing Assistance Program as a whole. The SHC Coordinator will handle problems, which cannot be resolved by the CHAP 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 CHAP 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 CHAP Coordinator will be responsible for handling the complaint. If the CHAP Coordinator is unable to resolve the complaint, the person filing the complaint will have five (5) working days to appeal the decision to the SHC Coordinator. If the SHC Coordinator is unable to resolve the complaint, the person filing the complaint will have five (5) working days to appeal the 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.

XVIII. FILES AND REPORTS

The County will maintain accurate CHAP 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.

XIX. 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 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.

Passed and approved this _____ day of _____, 2012, by the Commissioners' Court of Hidalgo County Texas.

Attest:

Arturo Guajardo, Jr
Hidalgo County Clerk

Ramón García
Hidalgo County Judge

Hidalgo Self Help Center TOOL LENDING LIBRARY

PROGRAM DESIGN

The Hidalgo County Self Help Center (SHC) shall operate one (1) Tool Lending Library. Tools will be purchased, maintained and rented out for home construction and improvement projects. This activity shall benefit three thousand three hundred seventy-eight (3,378) colonia residents of which seventy-five percent (75%) or two thousand five hundred thirty three (2,533) are of low to moderate income. Residents to benefit from this activity must reside in one of the Hidalgo County Self Help Center target area colonias of El Charro Subdivision #2, Colonia Lucero del Norte, Country View Estates, Indian Hills Subdivision I (East of FM 491), and Indian Hills Subdivision II (West side of FM 491). A total of three hundred (300) checkouts will be made during the life of this contract.

The SHC tool lending library provides residents of the targeted Hidalgo County colonias access to a wide variety of tools which most people building or repairing homes would not own or otherwise have access to. In past contracts, the SHC purchased tools based on the results of a survey that indicated resident's needs and on the advice of experts in the field. The SHC chose to purchase high-quality tools for their better performance, durability and warranty. To safeguard these higher end tools, the SHC maintains working locks in the building where the tools are stored. Additionally, the SHC keeps an accurate colonia resident rental membership list and charges a deposit to help maintain the tools and ensure their return. All parties to the SHC are in agreement that this is an important aspect of the program.

Tool Lending Library Hours of Operation

_____ a.m. to _____ p.m.

_____ thru _____

Closed on _____ Holidays

REQUIREMENTS

1. Members must reside in one of the five targeted colonias.
2. Members must use tools for home building or improvement projects in their primary residence.
3. Members must be at least 18 years old and have at least two types of ID, one of which must be a photo ID.
4. Contractors and/or home builders will not be allowed to rent tools unless used for repairs on their own homes.
5. Random inspection will be conducted by the SHC to monitor and ensure that no one other than the resident, who received proper safety training, within the targeted colonias is using the tool.

TOOLS CHECKOUT PROCEDURES

1. SHC staff will fill out an application for all colonia residents.
2. Residents will choose the tools they need to rent out.
3. SHC staff **MUST** fill out an "OUT" form for each tool rental to maintain accountability.
4. Residents will pay the required deposit.
5. SHC staff will issue a receipt for each deposit and a notice of when the tool is due to be returned.
6. Once the tool is returned to the SHC, the resident will get his/her deposit back.

DEPOSITS

1. A deposit must be paid to assure the return of the tool(s).
2. Tools can be checked out by the day including weekend.
3. The deposit for a tool shall be cash or check equivalent to 20% of a tool's replacement value. Some exceptions may be made depending on the circumstances of the family. **No one will be turned away due inability to pay.**
4. The deposit will be returned to the renter when he/she brings the tool back to the SHC.
5. If the tool is lost or stolen on the weekend a police report will be filed on the next business day, report will be kept on file for monitoring purposes.
6. The SHC does not generate any program income through the deposits of tools.

USE and RETURN

1. Only colonia resident may have access to SHC tools. No one other than the renter may use the tools, unless they have received the proper safety training and are assisting the renter on their home improvement project.
2. Tools may not be loaned out by the renter to another person, even if that person is also a tool library member.
3. Every tool rented out must be inspected by SHC staff before and after use to ensure that it is in proper working conditions for safety of the resident and the performance of each tool.
4. All bits, blades and cutting edges must be sharp when loaned out. No dull tools are to be rented out.
5. Tools are to be used only to build or repair the home of the member renting the tools.
6. Tools are not to be used for any type of business operations. Residents violating this rule will no longer be eligible to use the tools.
7. Tools should not be rented out for more than one week (7 days) at a time. If more time is needed, residents must visit or call the SHC office so the tool may be rented again. A courtesy call will be placed for a reminder.

8. Tools are only to be used for their stated purpose; any other use constitutes abuse of the tool.
9. All use and safety instructions are to be followed when using the tools.
10. If a tool is damaged in any way during the rental period, it must be returned immediately to the SHC. If the damage was due to misuse or negligence, the user shall be liable to pay for the cost of repair. If the damage is due to normal wear and tear, the renter shall not be liable. Upon payment of damages or a determination that the damage was due to wear and tear, the SHC can issue a replacement tool to the customer.
11. Residents must sign a form which states that the SHC is not responsible for any accidents.

SHC PROCEDURES

- SHC staff will maintain an up to date inventory list of all tools in the library.
- SHC staff will maintain an inventory of tools that are damaged, need repair and/or have been repaired.
- SHC staff will label and identify all tools as county property.
- SHC staff will provide door to door outreach, publications, distribution of flyers, and recruitment in the targeted colonias for this activity.
- A daily sign in sheet will be maintained in an administrative file for review with: date, name, address, phone number and colonia of all residents renting out tools.
- The budget amount for this activity will be used to purchase new tools, repair existing tools, and/or replace items that have deteriorated, such as blades, drill bits, compressor hose tips and other small tools. The purchase of a scanning system to track all tools is also a possibility depending on SHC funds.

BENEFICIARIES

This is an area-wide service within five (5) targeted colonias; all residents within the colonias will be counted as beneficiaries.