

**City of Houston**  
**Housing and Community Development Department**  
**Hurricane Ike Single Family Home Repair Guidelines**

**Purpose**

The City of Houston's (City) Housing and Community Development Department's (HCDD) goal is to alleviate specific life, health, and/or safety hazards resulting from hurricane damage. Assistance will be provided to homeowners whose homes are located within the City of Houston and/or pay property taxes for the City of Houston through the appropriate County Tax Collector (Harris, Fort Bend, and Montgomery Counties). Households assisted must meet the low to moderate income requirements as set forth by the U.S. Department of Housing and Urban Development (HUD) at 80% or below the Area Median Family Income (AMFI) for the City of Houston. Eligible households will be income-qualified to assure they do not exceed the 80% AMFI adjusted for family size, as published annually by HUD. Applicant(s) must demonstrate evidence of home ownership, prove the home was their principal residence on September 13, 2008 and the home sustained damage as a direct result of Hurricane Ike.

The HCDD Single Family Home Repair Program (SFHRP) shall be governed by the State of Texas Action Plan for Community Development Block Grant (CDBG) Disaster Recovery (CDBG-DR) related to Hurricane Ike and operated in accordance with all applicable rules and regulations of the U.S. Department of Housing and Urban Development, the Texas Department of Housing and Community Affairs (TDHCA), and the City of Houston (City). These funds will be used for Rehabilitation (Repairs) and Reconstruction/New Construction (Replacement Housing) of homes that were damaged as a direct result of Hurricane Ike. The City requires that each building system (i.e. structural, electrical, plumbing, heat ventilation, and air conditioning [HVAC]) repaired or replaced under the SFHRP comply with the local building codes and that conditions which threaten the life, health, or safety of the Homeowners be remedied.

**Eligible Activities and Financial Assistance**

**I. Eligible Activities**

**Repair Program**

Repair is refurbishing a house damaged as a direct result of Hurricane Ike making landfall on the City of Houston on September 13, 2008. Eligible properties will consist of permanent structures such as stick-built houses. Under HCDD Guidelines for this program, manufactured and modular homes are not eligible. Repairs may include structural, siding/trim, windows, doors, electrical, roof repairs/replacement, debris removal related to the specific Repairs performed, and any possible structural damage to the interior caused by exposure to the elements. Items that are integral to the home, such as air conditioners and heating systems, water heaters, stoves, and refrigerators, are eligible for replacement under CDBG-DR. Luxury Items that are not

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integral to the structure of the home, such as appliances (e.g., dishwashers, washers, and/or dryers) and housing components (e.g. detached structures), swimming pools, fences (other than required for security) televisions, and satellite dishes, are **not** eligible for repairs.

The Repairs include renovations of a limited specific area or portion of the housing structure. The repaired portion must comply with the local building codes and standards, and upon completion, the entire structure must comply with housing quality standards (HQS) and local health and safety codes. Repair is subject to a five (5) year affordability period and begins the date the Homeowner(s) executed the Unsecured Forgivable Promissory Note (Note). The Affordability Period is further outlined in the Note to be executed by Homeowner(s).

**Replacement Housing Program**

Replacement Housing is the demolition, removal, and disposal of the existing house damaged as a direct result of Hurricane Ike making landfall on the City of Houston on September 13, 2008, and the replacement on the same lot with a newly constructed house. Eligible properties will consist of permanent structures such as stick-built houses. Under HCDD Guidelines for this program, manufactured and modular homes are not eligible. All reconstructed and newly constructed housing units must comply with universal design features in new construction, established by §2306.514, Texas Government Code, energy standards as verified by a RESCheck certification (or City Certificate of Compliance approved by TDHCA may be acceptable), and the International Residential Codes, as required by Subchapter G, Chapter 214, Local Government Code as adopted and amended by the City of Houston. Replacement Housing is subject to a five (5) year affordability period and begins the date the Homeowner(s) executed the Note. The Affordability Period is further outlined in the Note to be executed by Homeowner(s).

**Relocation Assistance**

The SFHRP is a willing and voluntary participation program and does not require adherence to the Uniform Relocation Act. During the application process, applicants will be informed of their voluntary participation and Relocation policies and procedures for this program.

**Warranty**

All work performed by the construction Contractor shall be guaranteed for a period of one (1) year beginning from the date of the Certificate of

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Acceptance is provided to the Homeowner. If the Homeowner fails to sign the Certificate of Acceptance the warranty period date starts when the City Inspector certifies the Repair/Replacement Housing project is complete. The warranty shall be stipulated in the construction contract between the contractor and homeowner. HCDD will inform the approved Applicants that there is a one year warranty as per the tri-party agreement. During the one (1) year warranty period, the homeowner will be responsible for contacting the Contractor to correct defects or problems arising from his or her work under the Contract.

**II. Eligible Participants**

**Application Process**

Applicants will be processed on a first come, first serve basis. Applications can be submitted by contacting the City of Houston HCDD Call Center at (713) 522-4663. Appropriate accommodations will be made for applicants whose primary language is not English. The HCDD Call Center will no longer be accepting requests for Hurricane Ike repair assistance after December 31, 2010 or the depletion of available funds, whichever comes first. Applicants who have not yet been processed because of depletion of funds will be placed on a waiting list. In the event that the City of Houston receives additional CDBG funding for Hurricane Ike home repair assistance, the waiting list applicants will be contacted (in the order the applicant's completed application was approved) to complete the application process for assistance. Applicants who have received prior home repair assistance under the annual CDBG program will be reviewed on a case-by-case basis to determine if the repair necessitated was due to Hurricane Ike. The extent and costs of prior repairs will be assessed before they will be considered for additional assistance under the CDBG-DR grant.

**III. Minimum and Maximum Amounts of Assistance**

The minimum amount of CDBG-DR assistance for Repairs is One Thousand Dollars (\$1,000.00). The estimated average repair cost is \$15,000.00 per house, the maximum amount of CDBG-DR assistance to be provided to an applicant is up to \$25,000.00, including approved change orders.

The average replacement cost is \$85,000.00 per house (with no additional unforeseen complications during the demolition and reconstruction process). The maximum amount of CDBG-DR assistance to be provided to an applicant will not exceed \$135,000.00, including approved change orders.

**Exceptions**

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In the event there are unanticipated necessary repairs to the house to ensure the entire structure complies with Housing Quality Standards (HQS) and local health and safety codes, the HCDD Inspectors will prepare an in-house estimate, submit an informal bid, and request an emergency Purchase Order to approve the additional expenses.

## **Participant Eligibility**

### **I. Property Requirements**

#### **Property Ownership**

The applicant must have occupied the property as their principal residence on September 13, 2008. The applicant must provide evidence of homeownership at the time of assistance. Proof of ownership will be obtained through deeds or evidence of fee simple title to the property. In the absence of proof of ownership, to be eligible for assistance, the applicant household must provide evidence of ownership interest in the property by doing the following:

- Provide to HCDD an affidavit that sets forth how they are the successors of interest, through devise, intestacy, or conveyance, to the holder(s) of record title and that either a) There is no other person entitled to claim any ownership interest in the property; OR b) 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 HCDD one of the following:
  - Proof that they have been, for the current and last preceding tax year, the person reflected on the tax rolls as the owner and the person liable for property taxes; OR
  - Other evidence, reasonably acceptable to TDHCA that establishes that applicant is owner of the property.

#### **Principal Residency**

The applicant must demonstrate that the property was the applicant's principal residence as of September 13, 2008. Principal residency can be demonstrated through homestead exemptions or active utility bills as of September 13, 2008. Vacation and rental properties are not eligible for assistance under this program.

#### **Property Taxes**

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All property taxes shall be paid current prior to the applicant approval for Repairs/Replacement Housing assistance. Property taxes (school and county) must be paid current in order for the applicant's property to be eligible for assistance.

**Exceptions for Delinquent Property Taxes**

Provided no tax suits/judgments are filed, the Homeowner will provide a written payment agreement and a written statement from the applicable taxing authority verifying that the agreement is paid current. HCDD will verify by telephone with the applicable taxing authority that the payment status is current and in good standing. For verifications conducted via telephone, a telephone confirmation form must be completed including, but not limited to, date of contact, name of contact, and phone number of contact.

***CDBG-DR funds may not be used to pay delinquent taxes.***

**Environmental Requirements for Households**

For this program, houses located within a 100 year flood plain are **ineligible** for assistance. Assistance may not be provided in an area where Federal Assistance is not permitted (areas subject to Coastal Barriers Resource Act, airport runway clear zones, etc.).

**Application**

The household is required to complete the application and provide the requested documentation to verify income, eligibility, storm damage and property ownership within 14 days from date the application was sent from HCDD. Completed applications are processed on a first come, first serve basis. The Application must be correctly completed and signed with all required supporting documents attached. The completed application package must be delivered to HCDD before the application will be processed.

Applications need to be delivered to:

City of Houston Housing and Community Development Department  
601 Sawyer Street, 4<sup>th</sup> Floor  
Houston, TX 77007  
Attention: Single Family Home Repair Program-Hurricane Ike

If the completed application is not returned by the deadline (14 days), the

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Intake Counselor will make one courtesy follow up phone call to check the status of the application. In the event that HCDD has not received the completed application after 30 days from the applicant's initial telephone inquiry to the HCDD Call Center, a denial letter will be sent to the applicant and the case file will be closed. Incomplete Applications will not be considered.

**II. Income Requirements**

SFHRP Intake Counselor will interview the applicant to obtain additional information to validate certain requirements which include verification the household does not exceed the 80% AMFI, adjusted for family size, as published annually by HUD. HCDD will follow the TDHCA Income Certification Requirements.

**III. State Debt Verification**

**Child Support**

All household members must be current on payments for Child Support.

**Property Taxes**

Property taxes, including school and county, must be paid current in order for the applicant's property to be eligible for assistance. Paid current means verification that all property taxes have been paid or that the homeowner is on an approved repayment plan with the applicable taxing authority, provided no tax suits are filed, and is current on their repayment agreement. HCDD will verify that homeowner is current with the applicable taxing authority. Tax deferments may also be permitted and HCDD will verify that the tax deferments are valid with the applicable taxing authority.

**Application Intake & Qualification**

**I. Client and Property Qualification Pre-Screening**

**Client Interview**

SFHRP Call Center will assist the applicant with program related questions and pre-screen the applicants to determine if their property is eligible for hurricane damage assistance. The pre-screening includes:

- a. Accessing the Harris County Appraisal District website to verify property is owner occupied

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- b. Confirming with applicant that the house was their primary residence and occupied by applicant on September 13, 2008
- c. Confirming that applicant pays property taxes to City of Houston
- d. Initial determination that the property is not in a 100 year flood plain
- e. If the applicant/homeowner does not meet the pre-screening requirements, a denial letter will be sent by the SFHRP Call Center

**II. Intake Review**

**Income and Asset Due Diligence**

SFHRP Intake Counselor will interview the applicant to obtain additional information to validate certain requirements which include:

- a. Verification the household income does not exceed the 80% AMFI, adjusted for family size, as published annually by HUD.
- b. Applicant must complete the Verification of Assets on Deposit and Eligibility Release Form authorizing the City to verify the applicant(s) asset information.
- c. Income from assets will be included in the income calculation in accordance with HUD handbook "Occupancy Requirements of Subsidized Multifamily Housing Programs-4350.3", and / or "Technical Guide for Determining Income and Allowances for the HOME Program".

**Residency Due Diligence**

SFHRP Intake Counselor will verify:

- a. Property is primary residence of applicant
- b. Applicant lived at property at the landfall of Hurricane Ike on September 13, 2008.
- c. Request documentation evidencing ownership interest in the property.
- d. Verifying that property taxes are paid current or that a repayment plan has been agreed upon and executed by the Homeowner and taxing authority and verification that the repayment plan is current.
- e. For Replacement Housing, verification that there is no outstanding lien on the property and the applicant owns the property free and clear of any debt.

**Application Verification**

SFHRP Intake Counselor will verify:

- a. Application is complete and executed by homeowner(s) as required

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- b. Validate identity by obtaining government issued identification
- c. Access the database to determine if FEMA, SBA, or private insurance benefits were paid to the applicants for repair of structural damage to their homes. If so, request copies of award letters.

**Child Support**

All household members will be required to be current on payments due for Child Support and must complete the Attorney General of Texas (OAG) Authorization for Release of Information or Payments. HCDD will obtain information regarding the household members Child Support record(s) and verify the current status is in good standing with the Office of Attorney General (OAG).

In the event that anyone in the household is not current with their Child Support, they will be required to provide written proof that the child support has been brought current or the applicant will be denied assistance.

**Property Taxes**

Property taxes, including school and county, 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 providing proof that all delinquent property taxes have been paid or a repayment plan agreement and verification that the repayment plan is current will be confirmed by the City with the proper taxing authority.

**Duplication of Benefits Verification**

SFHRP Intake Counselor will verify if any payment for property damage from Hurricane Ike was paid to the Applicant/Homeowner/Household:

- a. City will access the data files which include previous payment benefits paid for real property repairs from FEMA, SBA, FEMA National Flood Insurance Program (NFIP) Insurance, private insurance, or any other source disclosed by applicant to determine if there was a previous benefit paid to the applicant(s) or any member of the household. All sources of previous benefits paid will be requested from the applicants(s) or any member of the household and must be disclosed on the application.
- b. Verification may be obtained through applicant documentation, copies of bank records, if required for validation and/or information

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sharing with SBA and FEMA whenever possible

**Duplication of Benefits Validation**

***In accordance with the Stafford Act, CDBG Disaster Recovery funds may not be used for any costs for which other assistance was previously provided.***

A Duplication of Benefits (DOB) situation occurs if a household received funds from FEMA, Insurance, SBA, or any other source to repair structural damage to the home caused by the disaster, and then also applied for and received funding under this program for the same purpose, to make repairs or replace the damaged home.

A DOB does occur if the household used the funds for any other purpose, including using funds intended for repair on day-to-day living expenses other than temporary housing expenses such as rent or hotel expenses. In such instances, assistance to the household must be reduced to account for the DOB.

Sources of funding that duplicate benefits are deducted from the assistance amount including the following **primary** sources: FEMA, SBA, or Insurance. Homeowner is required to disclose all sources and HCDD must verify information provided. Only the amount received or credited (in the case of a line of credit from SBA) for repair of the damage caused is considered in the DOB calculation.) Expenses must be supported with receipts and physical evidence of the repair. The City requires legible photocopies of applicable receipts for work previously completed to repair structural damage to the home.

In addition, the City will require the homeowner to sign the Participation Agreement that acknowledges the information is true and correct and subject to Title 18, Section 1001 of the U.S. Code.

**III. Environmental Property Review**

**Property Review**

The SFHRP Environmental Specialist will conduct the following environmental review of the applicant's property:

- a. Review location and age of property to determine environmental requirements;
- b. Coordinate lead based paint assessment, if applicable;

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- c. Perform noise evaluation and historical review;
- d. Approve or deny the property for Repairs/Replacement Housing based on the results of the Environmental review; and
- e. Obtain TDHCA environmental clearance.

***Under these Guidelines, ineligible properties include properties located in a coastal barrier, airport clear zone, or 100 year flood plain.***

#### **IV. On Site Housing Inspection and Damage Assessment**

##### **Inspection and Assessment**

After the Applicant provides the required information to HCDD, and if the Applicant meets the Eligibility requirements outlined in these Guidelines, HCDD or their designee will conduct an inspection of the property to determine the repairs required to meet the Housing Quality Standards (HQS). The Inspector confirms that the damage to the house was due to Hurricane Ike, completes a written report of the required repairs, and determines if the house meets the Repairs or Replacement Housing criteria to be funded with the CDBG-DR funds.

Determination includes:

- a. Written validation confirming the damage to house was caused by Hurricane Ike. In instances where the homeowner does not have proof of damages via FEMA, SBA, or Insurance award letters, the HCDD Inspector will perform a visual assessment of the property to confirm that the structural damage was caused by Hurricane Ike.
- b. Documentation with photographs of the interior and exterior (front and back of home) showcasing the damage caused by Hurricane Ike.
- c. Preparation of Plans, Specifications, Work Write-Up/Cost Estimates, Interim and final Inspections, as necessary.
- d. Determination of requirements to comply with Section 31 of the Federal Fire Prevention Act of 1974 and include requirements in Work Write-Up.
- e. Determination that the house meets the Repair monetary limitations with total costs not to exceed \$25,000.00, including approved change orders, and upon completion the structure must comply with Housing Quality Standards (HQS) and local health and safety codes.
- f. In the event the Inspector determines that the Repairs will exceed the monetary limitations, the HCDD staff will send a denial letter to the applicant stating that they do not qualify for the Repair program.
- g. For Replacement Housing, the HUD standards for household size (including the number and gender of the children/dependents) are used when determining the size of the replacement home.
- h. All replacement housing units must comply with the universal design

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features in new construction, established by §2306.514, Texas Government Code, energy standards as verified by a REScheck certification (or City Certificate of Compliance approved by TDHCA), and the International Residential Codes, as required by Subchapter G, Chapter 214, Local Government Code.

**V. Contractor Bid and Selection Process**

Contractors must meet the HCDD procurement requirements which are a combination of the City of Houston, State of Texas and Federal requirements. Where procurement thresholds and policies differ, the more stringent rules apply. Contractors working with HCDD must meet all City of Houston vendor requirements. Contractors are required to obtain all appropriate local building permits and ensure the work is performed according to the Plans and Specifications, City of Houston Building Codes based on International Energy Conservation Code (IECC) and the International Residential Code (IRC), Manufacturer's Recommendation, and, if applicable, adhere to Lead-Based Paint Hazard Control procedures. For Repair projects, the City of Houston will only pay the vendors at 100% project completion, with 10% budget retainage, to be paid 31 days after final inspection provided no warranty issues exist. For Replacement projects, the City of Houston vendor requirements include performance bonds equal to the value of the award to the vendor. Contractors listed on the State and/or Federal debarment list are not eligible to bid for contracts under any CDBG-DR Grant program.

**VI. Contracts and Council Approval**

HCDD is required to obtain City Council approval for individual projects Replacement Housing greater than \$50,000.00. Upon execution of all required documents including the Note, and obtaining City Council and TDHCA set-up approval, the assigned Inspector will schedule a pre-construction meeting with Homeowner and Inspector to walk through the scope of work and issue a Notice to Proceed.

Prior to HCDD issuance of a Notice to Proceed, HCDD will coordinate with the Homeowner and Contractor to execute all required documents including the Note and TDHCA will approve the set-up in the TDHCA Housing Contract System.

**VII. Ongoing Monitoring of Repair Status through Project Completion**

The City will inspect each house on which work is performed by a Contractor to verify that Contractor is in compliance with applicable Plans and

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Specifications, General Specifications Manual, Building Codes, Manufacturer's Recommendation, and, if applicable, Lead-Based Paint Hazard Control procedures. Inspection monitoring includes:

- a. Verifying the Contractor acquired appropriate City building permit(s) prior to work starting and obtained approval from responsible City of Houston Department to close the final permits when work is complete
- b. Inspecting work performed to confirm the work is done according to the Plans and Specifications, General Specifications Manual, Building Codes, Manufacturer's Recommendation, and, if applicable, Lead-Based Paint and Hazard Control procedures
- c. Reviewing payment requests and perform on-site inspections of work completed prior to payment approval
- d. Validating change order requests and cost analyses prior to approval. Obtaining dated signatures on change orders from homeowner, building contractor, and City prior to implementation of changes. HCDD will verify that any change orders will not cause the project to exceed the caps established by the program.
- e. Performing final inspection to verify all work performed under the contract has been completed if the Homeowner fails to sign the Certificate of Acceptance the warranty period date starts when the City Inspector certifies the Repair/Replacement Housing project is complete.

**VIII. Monitoring throughout Eligibility Period**

**Occupancy**

HCDD monitors the affordability period for the Repair and Replacement Housing as outlined in the Unsecured Forgivable Promissory Note executed by the Homeowner(s) and HCDD. The Affordability Period for Repair ends five (5) years from the date the Note is signed by Homeowner.

HCDD will send out an annual Verification of Occupancy letter beginning the first anniversary date, and every anniversary date thereafter until the end of the five (5) year Affordability Period. Homeowner is required to acknowledge and return to HCDD the Verification of Occupancy letter to confirm the Homeowner continues to live at the property address Repaired or Replacement House by the City as part of the SFHRP.

**Insurance Requirements**

Homeowner shall maintain hazard insurance, and flood insurance (if applicable) in accordance with applicable city, state and federal laws and regulations, and as

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may be required in these Guidelines or any related document.

Hazard Insurance must cover the cost of the Repairs or Replacement Housing. Homeowners must provide proof of insurance with the City of Houston added as loss payee upon completion of the Repairs/Replacement Housing project. The Hazard Insurance must remain in effect. HCDD will monitor hazard insurance annually throughout the Affordability Period (5 years). If applicable, the Homeowner must sign a subrogation agreement assigning any proceeds to TDHCA received after the date the Homeowner received the benefit from this program for structural damage as a result of Hurricane Ike.

In the event that the Homeowner fails to maintain the hazard insurance required by these guidelines, or fails to notify any transferee of the property of such insurance requirements, and the property is damaged by a disaster, then Homeowner **may** not be eligible for future federal assistance. In addition, if the Homeowner resides in a 100 year floodplain due to flood plain remapping and fails to maintain flood insurance, then the Homeowner **will** not be eligible for any further federal assistance.