

**City of Houston**  
**Housing and Community Development Department**  
**Hurricane Ike Round 1 Homeowner Assistance Guidelines**

## **Purpose**

The City of Houston's (City) Housing and Community Development Department (HCDD) goal is to alleviate specific life, health, and/or safety hazards resulting from hurricane damage. Homeowners receiving repair or replacement housing assistance will be limited to households with low-to-moderate incomes at or below 80% area median income in areas served by the City of Houston. Eligible households will be required to provide their total combined household income from all sources, which cannot exceed the 80% Area Median Family Income (AMFI), adjusted for family size, as published annually by the U.S. Department of Housing and Urban Development (HUD). Interested homeowners must prove that the home was their principal residence on September 13, 2008, that the home sustained damage as a direct result of Hurricane Ike, and must own the home on the date of assistance. Eligible homeowners must also provide proof of current paid property tax or current payment plan, as well as proof that any child support owed is paid current or under an active, current repayment plan.

The HCDD Single Family Home Repair (SFHR) Program 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 HUD, the Texas General Land Office (GLO), 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 SFHR comply with the current 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**

#### **Repairs**

Repairs concern 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 stick-built houses only. **Manufactured and modular homes** are not eligible for the Repair program. 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 integral to the structure of the home such as appliances (including washers or dryers) and housing components, swimming pools, fences (other than required

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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. The maximum amount available for Repairs is up to \$49,000.00 per house, including approved change orders, any applicable relocation costs, and any applicable property insurance costs. Repairs are subject to a five (5) year affordability period which ends five years from the first day of the month following the date of the execution date of the agreement between HCDD and the Homeowner plus 120 days for construction. The Affordability Period is further outlined in the Unsecured Forgivable Promissory Note (Note) to be executed by Homeowner(s). Up to one year of hazard insurance may be provided by HCDD once the repair is completed.

**Replacement Housing**

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 stick-built houses only. **Manufactured and modular homes** are not eligible for the Replacement Housing program.

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 GLO may be acceptable), and at a minimum the 2006 International Residential Codes (or the most current version that is required by the City), as required by Subchapter G, Chapter 214, Local Government Code. The standard average cost of a Replacement House is \$85,000 (with no additional unforeseen complications during the demolition and reconstruction process). The maximum amount available for Replacement Housing is up to \$140,000 per house, including approved change orders, any applicable property insurance costs, and any applicable relocation costs. Replacement Housing is subject to a five (5) year affordability period and ends five years from the first day of the month following the date of the execution date of the agreement between HCDD and the Homeowner plus 120 days for construction. The Affordability Period is further outlined in the Unsecured Forgivable Promissory Note (Note) to be executed by Homeowner(s). Up to one year of hazard insurance may be provided by HCDD once reconstruction is completed.

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**Relocation Assistance**

Applicants to the SFHR will be informed of the Relocation policies and procedures. There may be circumstances that could require a temporary or voluntary relocation. The SFHR is a willing and voluntary participation program and does not require adherence to the Uniform Relocation Act.

**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 Acceptance is provided to the Homeowner and/or the City Inspector submits the Repair/Replacement Housing project as complete. The warranty shall be stipulated in the construction contract between the contractor and homeowner. During the one (1) year warranty period, the homeowner may require the Contractor to correct defects or problems arising from his or her work under the Contract. Should the Contractor fail to do so, the Homeowner may take any necessary legal recourse as outlined in the Tri-Party Agreement.

**Program Parameters**

The minimum amount of CDBG-DR assistance for Repairs is One Thousand Dollars (\$1,000.00).

**II. Eligible Participants**

**Application Process**

Interested homeowners for Hurricane Ike Round 1 funds will be processed on a first come, first serve basis. Interested homeowners can obtain initial applications by contacting the City of Houston HCDD Call Center at (713) 522-4663. The HCDD Intake Counselors will no longer process new requests for repair assistance from Hurricane Ike Round 1 funds after December 31, 2010 or the depletion of available funds, whichever comes first. Interested homeowners who have not yet been processed at that time will not be placed on a waiting list.

**III. Financial Assistance**

**Repairs**

The maximum amount of CDBG-DR assistance to be provided to an applicant is up to \$49,000.00, including approved change orders, any applicable property insurance costs, and any relocation costs.

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**Replacement Housing**

The standard 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 \$140,000.00, including approved change orders, any applicable property insurance costs, and any applicable relocation costs.

**Participant Eligibility**

**I. Program Requirements**

**Property**

Eligible properties will consist of stick-built houses only. **Manufactured and modular homes** are not eligible for the Repair or Replacement Housing program. Houses located within a 100 year flood plain or the floodway are **ineligible** for assistance under Hurricane Ike Round 1. Properties located in a coastal barrier or airport clear zone are **ineligible** for assistance under these Guidelines.

**Property Ownership**

The homeowner must have occupied the property as their principal residence on September 13, 2008 when Hurricane Ike made landfall in the City of Houston.

The homeowner 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 homeowner 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:
  - Provide 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
  - Provide other evidence, reasonably acceptable to TDHCA that establishes that applicant is owner of the property.

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**Principal Residency**

The homeowner must demonstrate that the property was the applicant's principal residence on 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**

All property taxes shall be paid current prior to the homeowner approval for Repairs/Replacement Housing assistance. Property taxes (school and county) must be paid current in order for the homeowner's property to be eligible for assistance. Homeowners with approved property tax deferrals will be accepted, provided that the payment status is otherwise current and in good standing.

**Exceptions for Delinquent Property Taxes**

Provided there is no tax suits/judgments 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.***

**Required Property Insurance**

Homeowner shall maintain hazard insurance, and, if applicable, flood insurance in accordance with applicable city, state and federal laws and regulations, and as may be required in these Guidelines or any related document. In the event that the Homeowner fails to maintain the hazard insurance required by this paragraph, or fails to notify any transferee of the property of such insurance requirements, and the property is damaged by a future disaster, then Homeowner **may** not be eligible for future federal assistance. In addition, if the Homeowner resides in a 100 year floodplain and fails to maintain flood insurance, then the Homeowner **will** not be eligible for any further federal assistance.

**Environmental**

Houses located within a 100 year flood plain or the floodway are **ineligible** for assistance under Hurricane Ike Round 1. Properties located in a coastal barrier or airport clear zone are **ineligible** for assistance under these Guidelines.

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**Hurricane Damage**

The home must have sustained damage as a direct result of Hurricane Ike, which made landfall on September 13, 2008. Proof of such damage can be provided by acknowledged copies of applications for FEMA (Federal Emergency Management Administration) assistance, private insurance claims, or other third-party verification. In the event no such verification exists, the homeowner may provide a notarized statement of the damage that occurred. Photographs should also be provided.

**Income Eligibility**

Eligible households will be required to provide their total combined household income from all sources, which cannot exceed the 80% Area Median Family Income (AMFI), adjusted for family size, as published annually by the U.S. Department of Housing and Urban Development (HUD).

**Child Support**

The Homeowner and, if applicable, Co-Homeowner(s) over the age of 18 must be current on payments for Child Support. Household members who are entitled to receive child support must provide proof that they are working with the Office of the Attorney General if payments are not regularly received.

**II. Application**

The HCDD will no longer process new requests for repair assistance from Hurricane Ike Round 1 funds after December 31, 2010 or the depletion of available funds, whichever comes first.

HCDD developed a waiting list of over 2,300 interested homeowners who have requested home repair assistance under the Hurricane Ike Round 1 Disaster Recovery Program, however, based on funding availability, HCDD expects to award assistance to 242 homeowners. Applications received from interested homeowners who applied for assistance prior to the above referenced points in time will be processed on a first come, first serve basis, with completed applications taking precedence for consideration assistance award in advanced of incomplete applications.

HCDD Intake Counselors contact interested homeowners from the waiting list and invite them to start application processing. The contacted homeowner will have 30 days to obtain and complete the application.

Applications can be obtained at:

City of Houston Housing and Community Development Department  
601 Sawyer, 4<sup>th</sup> Floor  
Houston, TX 77007

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As a courtesy, HCDD will call all people who have not returned the application within 14 days. Once the application is received, HCDD Intake Counselor will:

- a. Verify that the property is owner occupied by accessing the appropriate County Appraisal District (Fort Bend, Harris, or Montgomery) website to verify property is within City of Houston city limits.
- b. Provide an initial determination that the property is not in a 100 year flood plain or the flood way or coastal barrier or airport clear zone, etc.

Barring any initial eligibility issues, the HCDD SFHR Intake Counselors will assist the homeowner complete the application and review support documents (furnished by the homeowner) and make an initial determination about the status of the application. If it appears on the surface that the homeowner would meet all the requirements for funding under Hurricane Ike Round 1, the HCDD Intake Counselors will perform income eligibility determinations, as well as obtain tax records and child support status and provide the requested documentation to verify income, eligibility, storm damage, and property ownership within 30 days from date the application was completed and provided to HCDD. Completed detailed applications are processed on a first come, first serve basis. The detailed 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 and support documentation must be delivered to:

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

If the completed detailed application is not returned within the deadline (thirty (30) days), the 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, a denial letter will be sent to the applicant and the case file will be closed. Incomplete applications will not be considered.

### **III. Income Requirements**

SFHR Intake Counselors will interview the interested homeowner to obtain additional information to validate certain requirements which include verification that the household total income from all sources does not exceed the 80% Area Median Family Income (AMFI), adjusted for family size, as published annually by HUD.

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**IV. Property Insurance Requirements**

Homeowner shall maintain hazard insurance, and, if applicable, flood insurance in accordance with applicable city, state and federal laws and regulations, and as may be required in these Guidelines or any related document. In the event that the Homeowner fails to maintain the hazard insurance required by this paragraph, or fails to notify any transferee of the property of such insurance requirements, and the property is damaged by a future disaster, then Homeowner **may** not be eligible for future federal assistance. In addition, if the Homeowner resides in the 100 year floodplain and fails to maintain flood insurance, then the Homeowner **will** not be eligible for any further federal assistance.

**V. State Debt Verification**

**Child Support**

The Homeowner and, if applicable, Co-Homeowner(s) over the age of 18 must be current on payments for Child Support. Household members who are entitled to receive child support must provide proof that they are working with the Office of the Attorney General if payments are not regularly received.

**Property Taxes**

Property taxes, including school and county, must be paid current in order for the applicant's property to be eligible for assistance. Exceptions will be made for homeowners with approved property tax deferrals or who have entered into an agreement with the appropriate County Assessment District (Fort Bend, Harris, or Montgomery) to pay back taxes via an approved payment plan.

**HCDD Activities**

**I. Client and Property Qualifications**

**Client Inquiry**

Subject to the provisions of Section II "Application" cited above, when a person calls with an inquiry about the SFHR program, the HCDD Call Center will provide the caller with basic program information, will record the caller's name, address, contact numbers, nature of inquiry, and preliminary household data required by GLO and enter it into HCDD database. The person will have 30 days to obtain, complete and return the application.

Applications can be obtained at:

City of Houston Housing and Community Development Department  
601 Sawyer, 4<sup>th</sup> Floor  
Houston, TX 77007



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As a courtesy, HCDD will call all people who have not returned the application within 14 days. Once the application is received, HCDD Call Center will:

- a. Verify that the property is owner occupied by accessing the appropriate County Appraisal District (Fort Bend, Harris, or Montgomery) website to verify property is within City of Houston city limits.
- b. Initial determination that the property is not in a 100 year flood plain or the flood way or coastal barrier or airport clear zone, etc.

At this point, the application and its attachments will be forwarded to the HCDD SFHR Intake Counselors who will review the documents and make an initial determination about the status of the application. If it appears on the surface that the homeowner would meet all the requirements for funding under Hurricane Ike Round 1, the HCDD Intake Counselors will perform income eligibility determinations, as well as obtain tax records and child support status and provide the requested documentation to verify income, eligibility, storm damage, and property ownership within 30 days from date the application was completed and provided to HCDD. Completed detailed applications are processed on a first come, first serve basis. The detailed 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. An incomplete application will not be considered.

## **II. Intake Review**

### **Income and Asset Due Diligence**

SFHR Intake Counselors will interview the interested homeowner to obtain additional information to validate certain requirements which include:

- a. Verification the household income does not exceed the 80% Area Median Family Income (AMFI), adjusted for family size, as published annually by HUD
- b. The household must sign permissions for HCDD to obtain independent verification of any income source or asset.
- c. Income from eligible assets will be included in the income calculation in accordance with HUD handbook "Occupancy Requirements of Subsidized Multifamily Housing Programs" - 4350.3

### **Residency Due Diligence**

SFHR Intake Counselors will verify:

- a. Property is primary residence of applicant
- b. Homeowner lived at property at the landfall of Hurricane Ike on September 13, 2008

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- c. Request documentation evidencing ownership interest in the property
- d. Verify 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, verify whether there are any outstanding liens on the property. If there are liens against the property, in order to qualify, the applicant must obtain in writing from all lien holders, permission to demolish the existing house and replace it with a newly constructed house built to the size and standards set forth in these Guidelines.

**Application Verification**

SFHR Intake Counselors will verify:

- a. Application is complete and executed by homeowner(s) as required
- b. Validate identity by obtaining government issued identification
- c. Review application to determine if previous insurance benefits were paid for real property damage from Hurricane Ike

**Child Support**

The Homeowner and, if applicable, Co-Homeowner(s) over the age of 18 will be required to be current on payments due for Child Support and must complete the Office of 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 OAG. In the event that the Homeowner and, if applicable, Co-Homeowner(s) 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. Household members who are entitled to receive child support must provide proof that they are working with the OAG if payments are not regularly received.

**Property Taxes**

Property taxes, including school and county, must be paid current in order for the applicant's property to be eligible for assistance. Approved property tax deferrals will be accepted. In the event delinquent taxes are owed on the property, the homeowner 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.

**Property Insurance**

Hazard Insurance should be maintained on the house once the repair / reconstruction occurs. While homeowners have the duty to maintain hazard insurance and, if applicable, flood insurance throughout the life of the property,

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HCDD will monitor for compliance during the Affordability Period of the loan. Homeowners need to provide a copy of their current insurance binder or provide a valid quote for hazard insurance and, if applicable, flood insurance for the first year following the repair / reconstruction.

**Previous Benefits Verification**

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

- a. City will access the data files which include previous payment benefits paid for real property repairs from FEMA, SBA, 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 interested homeowner(s) or any member of the household to repair structural deficiencies caused by Hurricane Ike. All sources of previous benefits paid will be requested from the homeowner(s) or any member of the household and must be disclosed on the application.
- b. Verification may be obtained through homeowner(s) documentation, copies of bank records, if required for validation and/or information sharing with SBA and FEMA whenever possible

**Duplication of Benefits Validation**

In order to avoid possible duplication of benefits, as required by the Stafford Act, the City will request legible photocopies of applicable receipts for work performed to repair physical damage to the home as determined by Previous Benefits Verification. In the event there are no legible photocopies of applicable receipts, the Homeowner will provide a notarized statement of work done and dollars spent. HCDD will verify that the work appears to have been done via a visual inspection and photos, along with an estimate cost for the noted repairs, given higher costs for materials, supplies, and labor during the period following Hurricane Ike.

In addition, the City will request applicant to disclose any other payment(s) received from private insurance or other sources and execute the Homeowner Participation Statement which acknowledges the information is true and correct and subject to Title 18, Section 1001 of the U.S. Code.

**Duplication of Benefits Exceptions**

In the event the City / HCDD inadvertently miscalculates the duplication of benefits, or determines that damage was caused by Hurricane Ike and TDHCA rejects the claim, the City / HCDD, at its discretion, may access non-federal funds, if available, to fund the construction contract for the exception portion only.

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

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### **III. Environmental Property Review**

#### **Property Review**

The HCDD Environmental Specialist will conduct the following environmental review of the homeowner's property in compliance with existing guidelines and regulations:

- 1) Review of flood plain location and age of property to determine environmental requirements, including, but not limited to, the following documents:
  - a) Toxic and radioactive materials memo with photographs **AND**
  - b) Work write-up for Repairs projects **OR**
  - c) Construction proposal for Reconstruction projects
- 2) Integrate lead based paint assessment, if applicable
- 3) Perform noise evaluation and historical review, if applicable
- 4) Approve or deny the property for Repairs/Replacement Housing based on the results of the Environmental Review Record (ERR)
- 5) Obtain HCDD and TDHCA environmental clearance

***Under Hurricane Ike Round 1 funding, ineligible properties include properties located in a coastal barrier, airport clear zone, or 100 year flood plain or flood way.***

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

#### **Inspection and Assessment**

After the Homeowner provides the required information to HCDD, and if the Homeowner 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 applicable standards. 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 stating the damage to the house appears to have been caused by Hurricane Ike.
- b. Provide a visual assessment that no hazardous materials appear to be present. This is done to complete the toxic and radioactive materials memo.
- c. Document with photographs of the interior and exterior (front, back, and side views of home).
- d. Prepare Plans, Specifications, Work Write-Up/Cost Estimates, Interim and final Inspections, as necessary.
- e. Determine requirements to comply with Section 31 of the Federal Fire Prevention Act of 1974 and include requirements in Work Write-Up.
- f. Repairs include renovations of a limited specified area or portion of a housing

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- structure. The repaired portion must comply with local building codes and standards, and upon completion, the entire structure must comply with Housing Quality Standards (HQS) and local health and safety codes.
- g. Determine if the house meets the Repair monetary limitations with total costs not to exceed \$49,000.00, including approved change orders, any applicable property insurance costs, and any relocation costs. Upon completion the structure must comply with Housing Quality Standards (HQS) and local health and safety codes.
  - h. In the event the Inspector determines that the Repairs will exceed the monetary limitations, HCDD will send a denial letter to the homeowner(s) that they do not qualify for the Repair program.
  - i. 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.
  - j. All replacement housing units must comply with the 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), and the 2006 International Residential Codes (or the most current required by the City), 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 CDBG 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 City 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 2006 International Residential Code (IRC) or the most current version required by the City, Manufacturer's Recommendation, and, if applicable, adhere to Lead-Based Paint Hazard Control procedures. City of Houston vendor requirements include performance bonds on projects that are \$100,000.00 or greater per individual project. Contractors listed on the State and/or Federal debarment list are not eligible to bid for contracts under any CDBG-DR Grant program.

**VI. Contract Approval**

Prior to issuing a Notice to Proceed, HCDD will coordinate with the Homeowner and Contractor to execute all required documents including the Note.

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

At the appropriate point in time, the assigned HCDD inspector will schedule a pre-construction conference and the Contractor to walk through the scope of work and issue the Notice to Proceed.

The assigned HCDD inspector inspects each house on which work is performed by a Contractor to verify that Contractor is in compliance with applicable Plans and Specifications, General Specifications Manual, Building Codes, Manufacturer's Recommendation, and, if applicable, Lead-Based Paint Hazard Control procedures. Inspection monitoring includes:

- a. Verify 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. Inspect 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. Review payment requests, including photographs, and perform on-site inspections of work completed prior to payment approval
- d. Validate change order requests and cost analyses prior to approval
- e. Change orders must be signed and dated by homeowner, building contractor, and City. Prior to implementation of changes, a purchase order must be received by the contractor. HCDD will verify that any change orders will not cause the project to exceed the caps established by the program.
- f. HCDD Inspection staff certifies that all work on the completed project complies with specifications in the Work Write-Up and meets standards.

**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 years from the first day of the month following the date of the execution date of the agreement between HCDD and the Homeowner plus 120 days for construction. The Affordability Period is further outlined in the Unsecured Forgivable Promissory Note (Note) to be executed by Homeowner(s).

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. If no response is sent back by the homeowner within 20 days, HCDD will send a copy of this letter via certified mail return receipt requested.

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If no response is sent back within 20 days, HCDD will send an inspector to the home to verify occupancy. If no one answers the door, a notice will be posted on the door and the notice will be photographed for HCDD records. The 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 Replaced by the City as part of the SFHR program and the Homeowner maintains hazard insurance and, if applicable, flood insurance. Households who do not comply with these requirements will be subject to repaying the City according to their signed and executed Note. Information about households who do not comply with these requirements will be sent to GLO, which will decide on further enforcement activities.

**Insurance Requirements**

Homeowner(s) shall maintain hazard insurance, and, if applicable, flood insurance in accordance with applicable city, state and federal laws and regulations, and as may be required in these Guidelines or any related document. In the event that the Homeowner fails to maintain the hazard insurance required by this paragraph, or fails to notify any transferee of the property of such insurance requirements, and the property is damaged by a future disaster, then Homeowner **may** not be eligible for future federal assistance. In addition, if the Homeowner resides in a 100 year floodplain and fails to maintain flood insurance, then the Homeowner **will** not be eligible for any further federal assistance.