

HCDD CDBG DR-2 Program Guidelines Waiver Request

Request No. 4: Institution of a Progressive Feasibility Rehabilitation Analysis

Date: July 9, 2013

The City of Houston (the City), for the Hurricane Ike/Dolly Round II Community Development Block Grant Disaster Recovery Program (the Program), believes that it is in the best interest of the residents of the City of Houston to modify the Texas General Land Office (GLO) Round 2 Housing Program Guidelines (the Round 2 Guidelines), and therefore requests the following waiver.

The purpose of this waiver is to provide program flexibility for homeowners such that a home may be reconstructed when there is demonstrable need that is agreed upon by the City and the applicant even when the cost to repair the home is less than the rehabilitation cap. This will also prevent exceeding the rehabilitation cost cap by instituting a progressive feasibility rehabilitation analysis to determine whether rehabilitation is feasible rather than the cost cap identified in the Guidelines.

The Guidelines state (Attachment A, II, N. (Page 33 of 72)) that "Rehabilitation of existing, hurricane damaged homes is capped at \$65,000. Additional expenses, such as elevation, are allowed as limited by the Housing Assistance Caps as described in the General Guidelines. Estimated rehabilitation costs exceeding this cap will be recommended for reconstruction." The City of Houston would like to delete the last sentence of that section and instead replace it with the following information:

For each unit assessed under the Program, a preliminary budget will be prepared to indicate the potential cost of demolition, elevation, rehabilitation or reconstruction. If the total cost of the project is:

- 1) Less than 75% of Rehab Cap (currently \$48,750), the City of Houston will offer rehabilitation services to the applicant. Reconstruction will not be an option.
- 2) More than 75% of the Rehab Cap (currently \$48,750) and less than the total Rehab Cap (currently \$65,000), the City of Houston will determine if rehabilitation is feasible. The applicant may receive either Rehabilitation or Reconstruction, whichever is appropriate as determined by the City of Houston.
- 3) If Feasibility Analysis indicates a budget in excess of the Rehab Cap (currently \$65,000) for rehabilitation and the applicant does not desire reconstruction, the City of Houston will notify the applicant that the project is not feasible and offer an explanation in writing.

The purpose of the feasibility analysis is to ensure that no rehabilitation project begins without the potential for it to be completed. Without this analysis, the City could not be sure that once a rehabilitation project began, it would not eventually exceed the limit of the cap.

The City of Houston requests that GLO grant this waiver to the Round 2 Guidelines.

Submitted by:



Neal Rackleff
Director
Housing and Community Development Department
City of Houston



Date

Approved by:

Jorge Ramirez
GLO

Date

Exhibit A

Please see attached.

Greater 5th Ward Community Revitalization Area

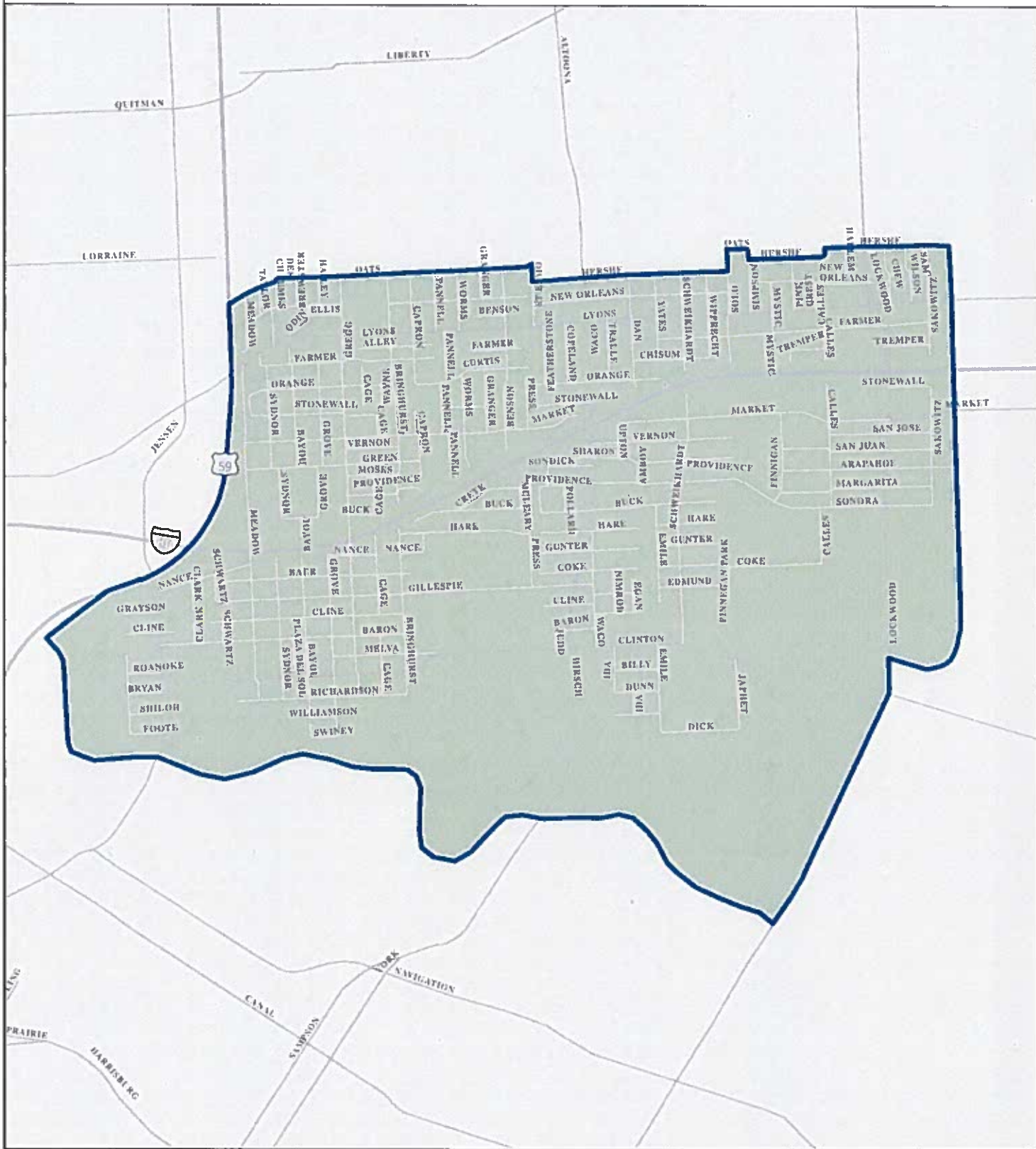
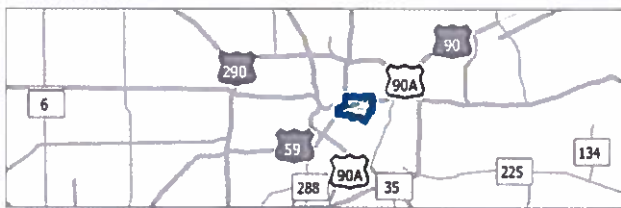


EXHIBIT A



Northside Village Community Revitalization Area

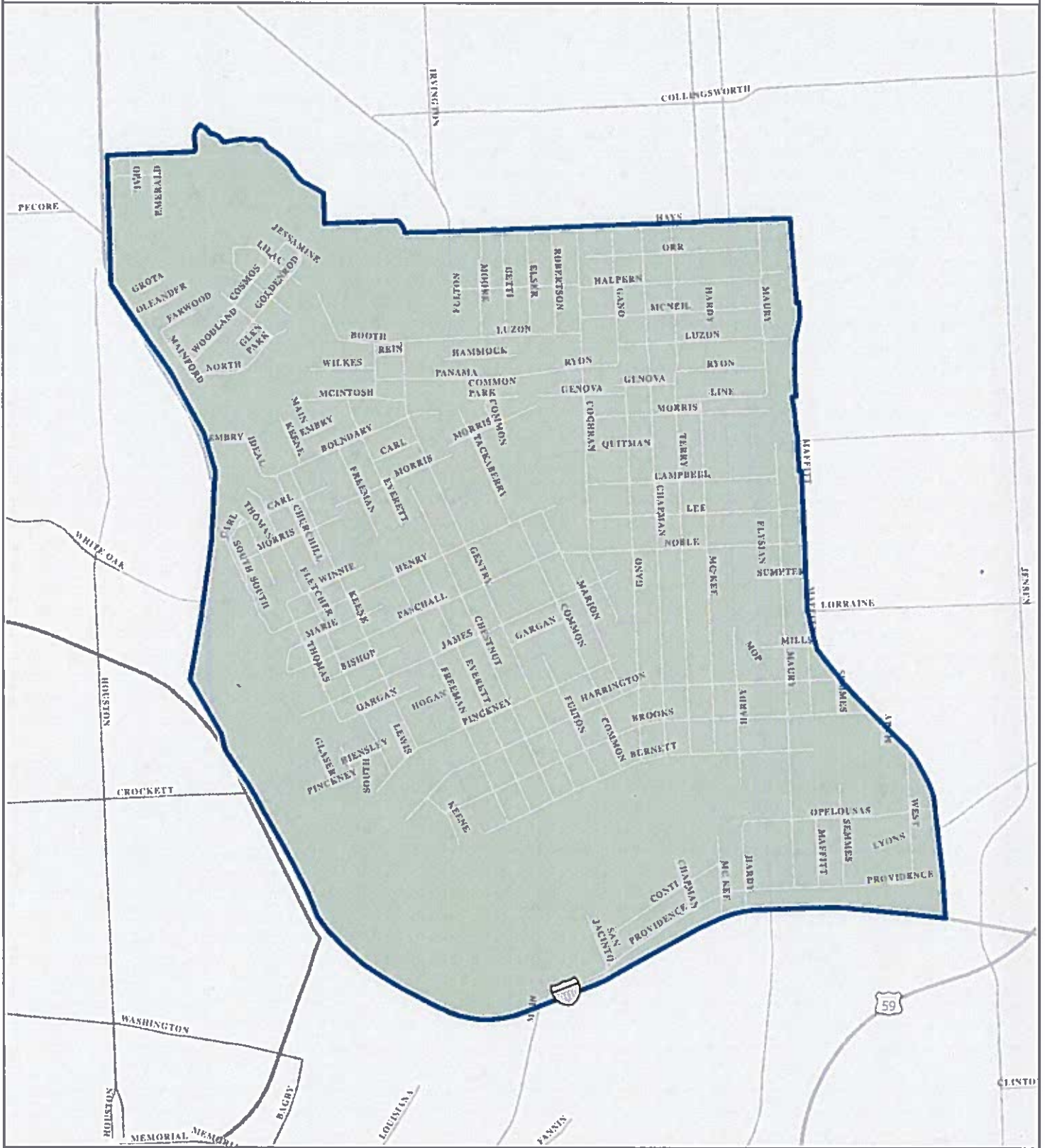


EXHIBIT A

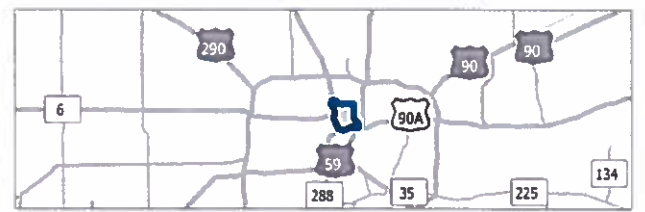


Exhibit B

Please see attached.

Acres Homes CRA Outreach Area

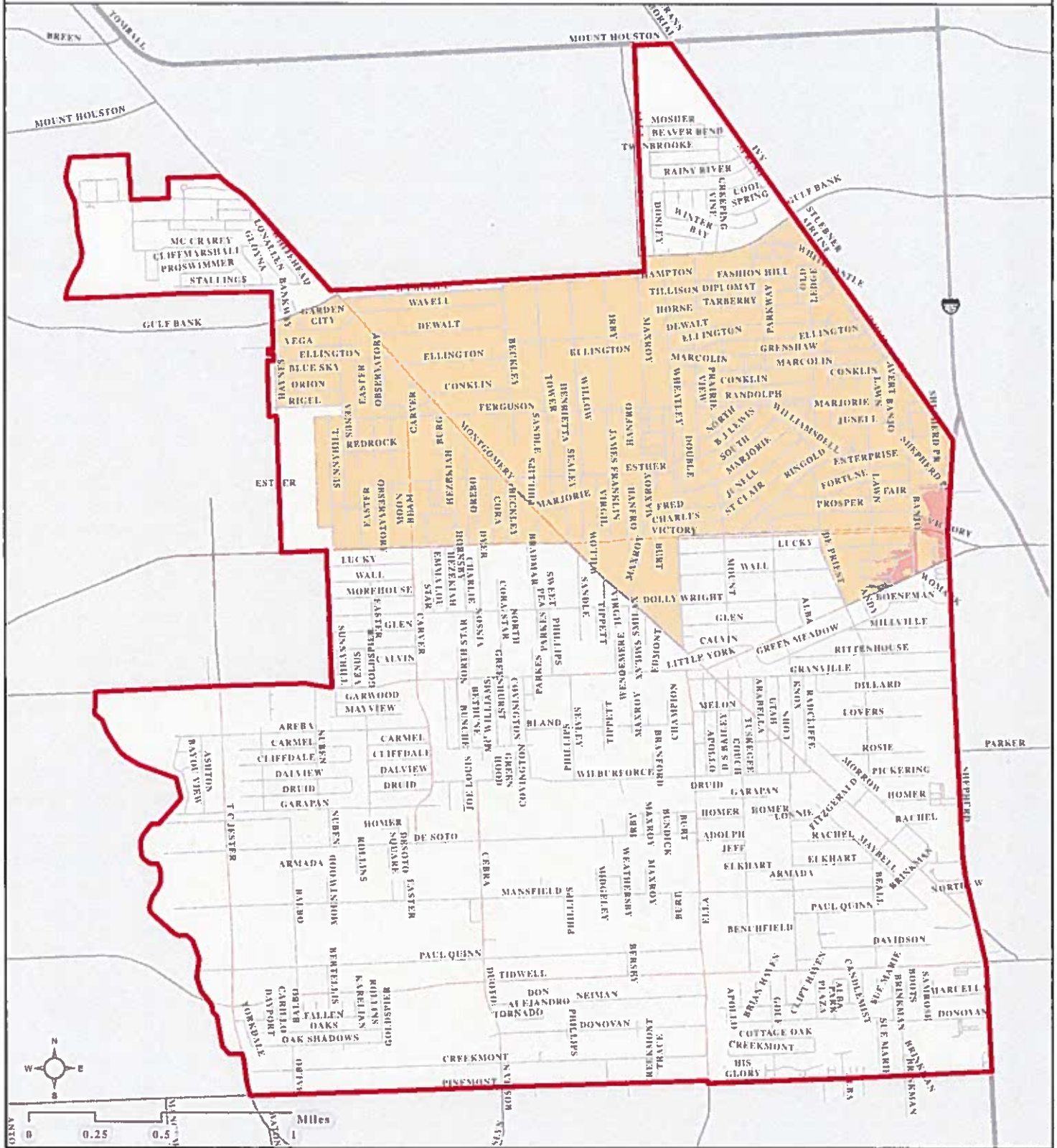
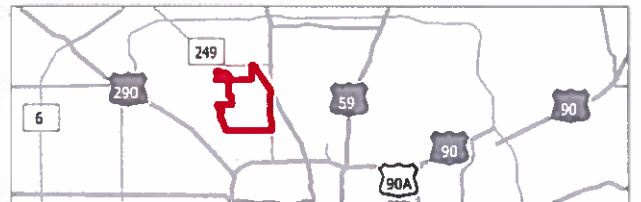


EXHIBIT B

- Primary Target Area
- Secondary Target Area
- Tertiary Target Area
- CRA Outreach Area Boundary



Greater 5th Ward CRA Outreach Area

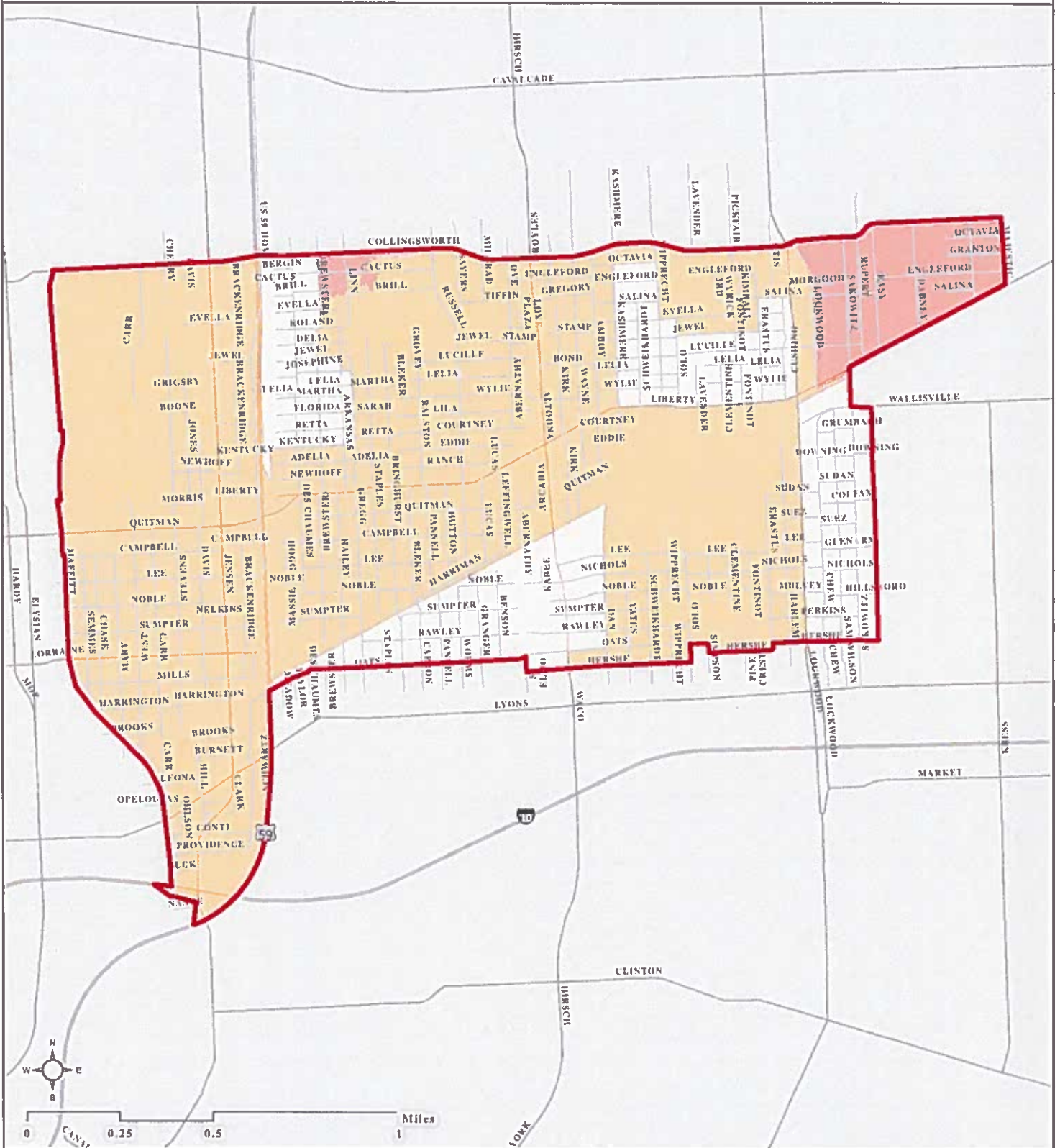
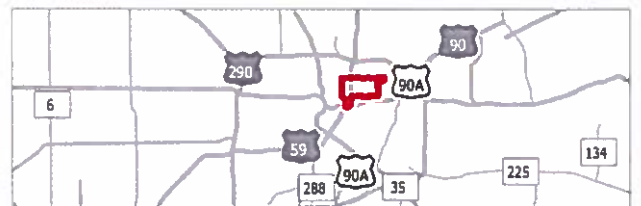


EXHIBIT B

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Independence Heights CRA Outreach Area

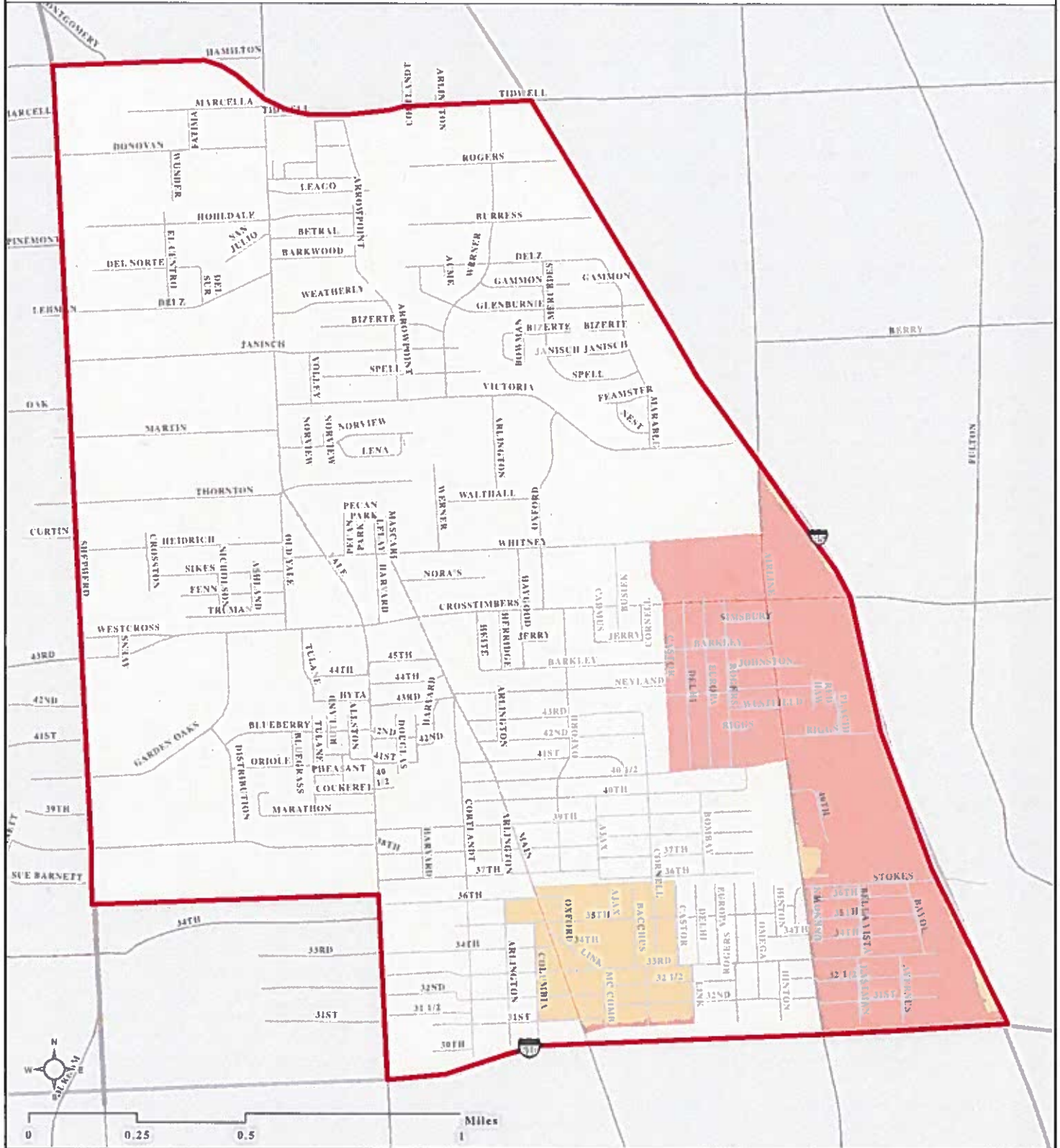
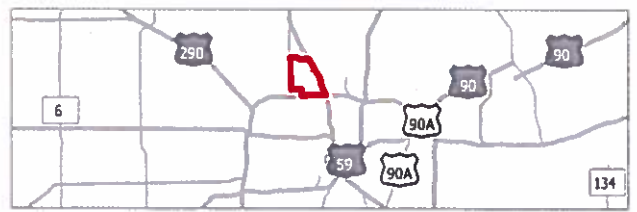


EXHIBIT B

- Primary Target Area
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- CRA Outreach Area Boundary



Northside Village CRA Outreach Area

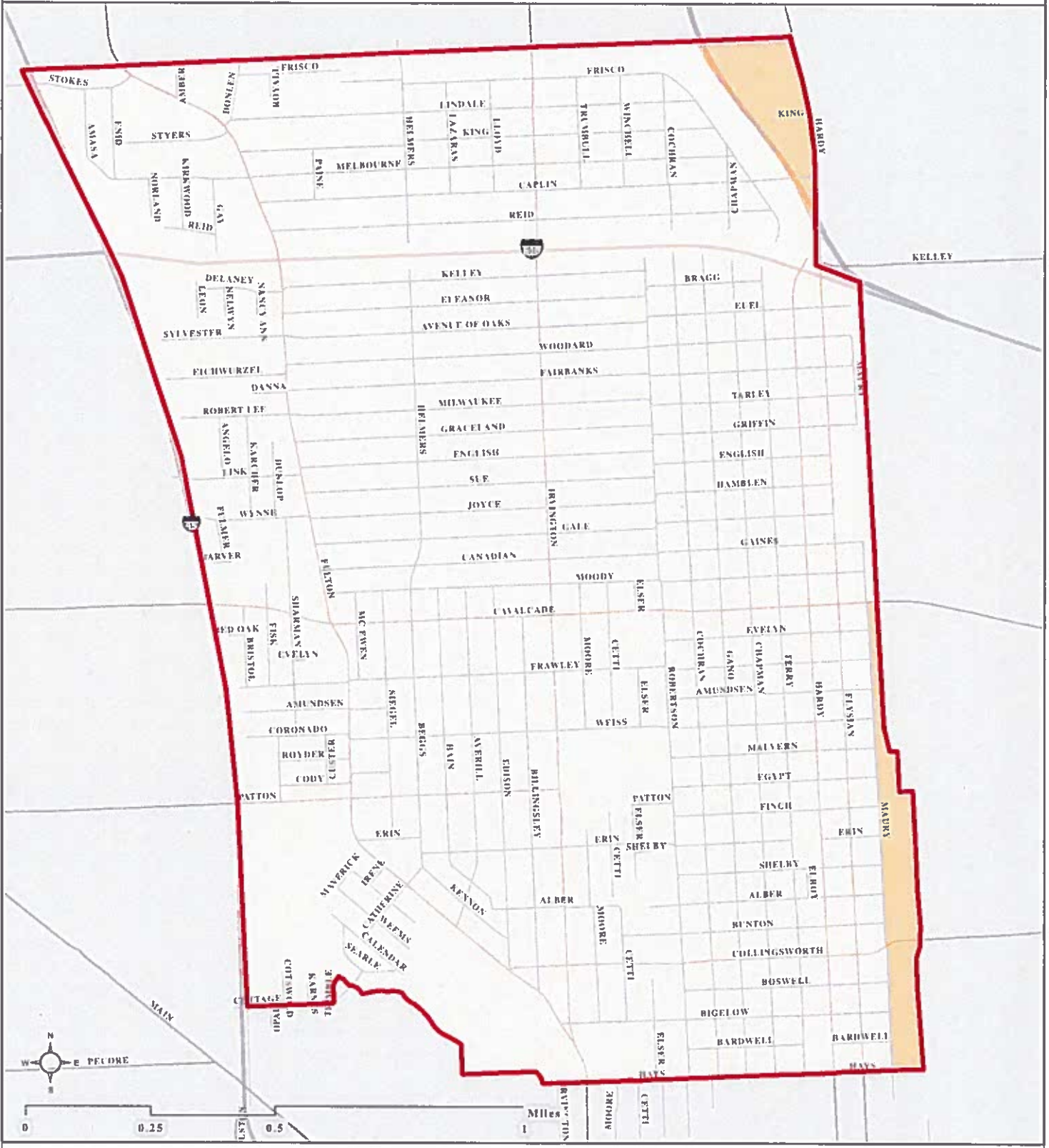
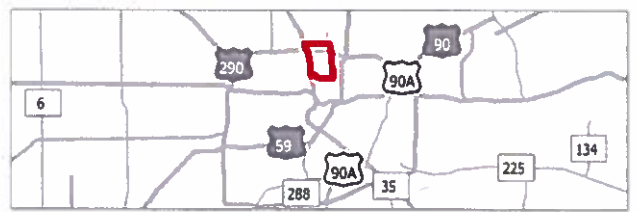


EXHIBIT B

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OST/South Union CRA Outreach Area

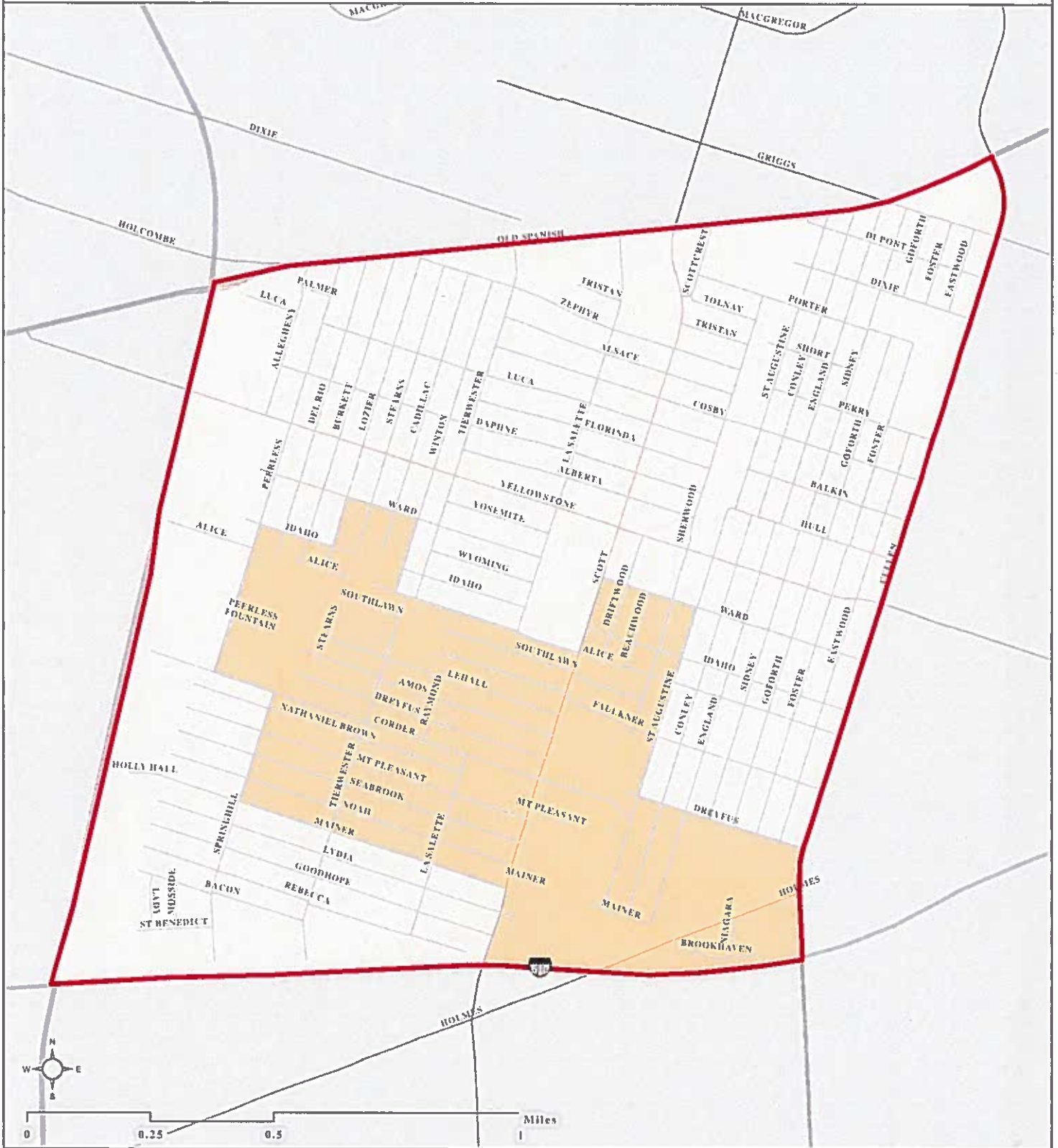




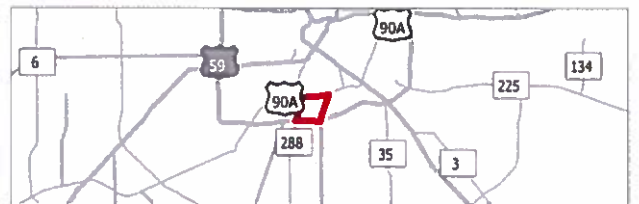


EXHIBIT B

- | | | | |
|---|-----------------------|---|----------------------------|
|  | Primary Target Area |  | CRA Outreach Area Boundary |
|  | Secondary Target Area | | |
|  | Tertiary Target Area | | |



Sunnyside CRA Outreach Area

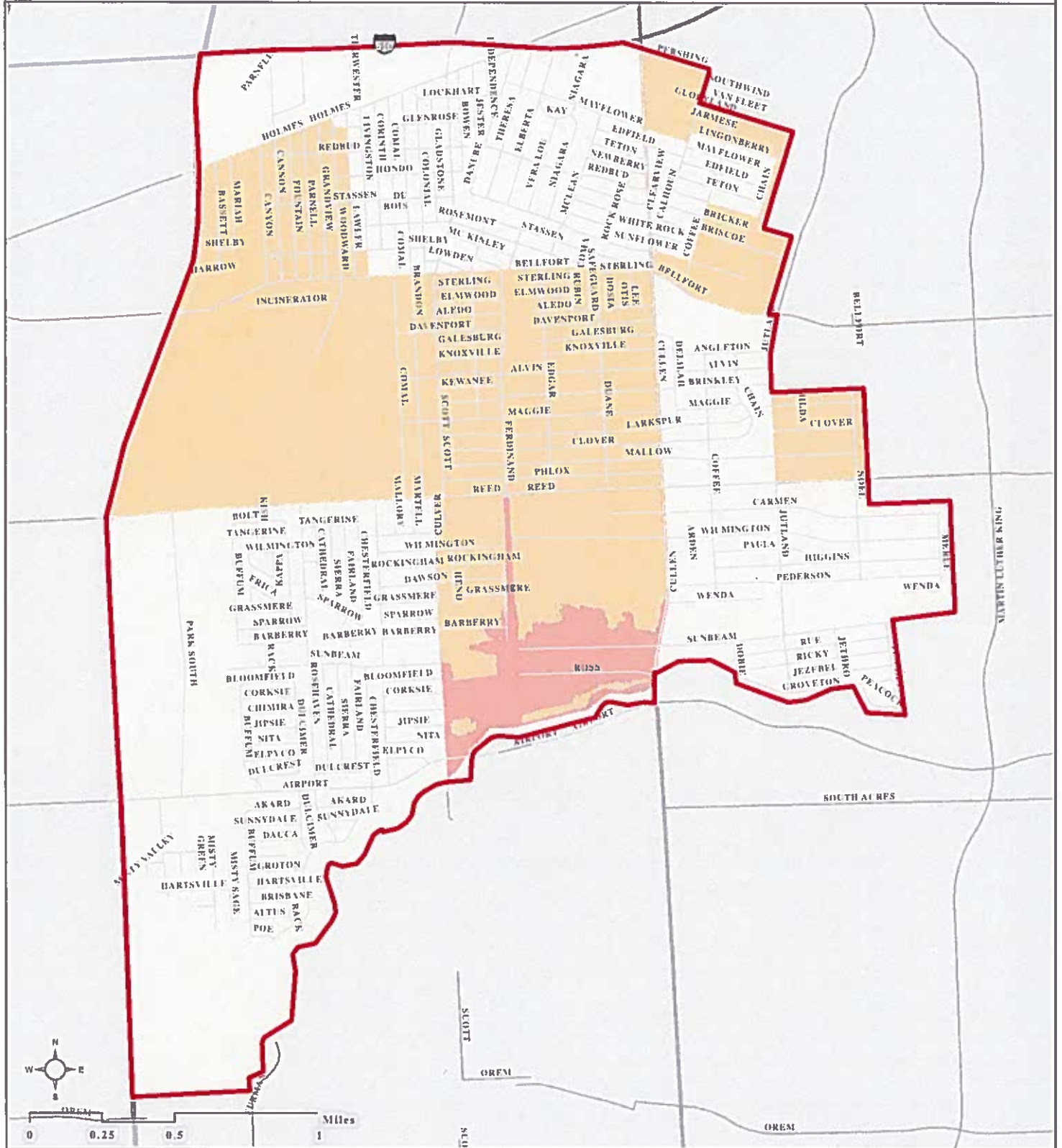


EXHIBIT B

- Primary Target Area
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- CRA Outreach Area Boundary

