

City of Houston Harvey Buyout Program

Harvey Buyout (HB) Program Guidelines

April 28, 2021

Version 0.9

City of Houston
Housing and Community Development Department

Version History

Version #	Date	Noted Edits	Page(s)
0.0	August 27, 2019	Draft- CoH HB program GLs	N/A
0.1	September 4, 2019	Reviewed by Planning & Grants Management	N/A
0.2	October 30, 2019	<ol style="list-style-type: none"> 1. Page 5 of the GLs revised to “DR-4332” from “DR-4432”. 2. Page 6 Urgent Need language was implemented into the GLs 3. Introduction revised to clarify this is a voluntary program. 4. TIGR definition added p. 26 5. P.13 under “Environmental” language modified to read as follows: “All properties assisted under this Program will be subject to an Environmental Review by the City prior to the sales agreement.” 6. P.7 under “Eligible Requirements” language implemented “and/or eligible CDBG-DR county” 7. P.8 Harvey Buyout Program Prioritization: Per GLO’s recommendation, Item #3 which shifted as a first priority “Properties with repetitive flood loss from the years 2015-2017 in conjunction with Harvey damages.” <p>p. 8 language removed as it was addressed in the eligibility requirements: “Properties affected by Hurricane Harvey Properties located in a Floodway and/or Floodplain “</p> <p>p.8 – “HCDD in partnership with HPW, have established funding priorities for the program in order of preference identified below” reworded to read “HCDD in partnership with HPW, have established funding priorities for the program and the selection is based on HPW’s readiness of projects and available funding.</p>	
0.3	December 11, 2019	<ol style="list-style-type: none"> 1. Page 8 Harvey Buyout Program Eligibility Overview-Eligible Participants: <ol style="list-style-type: none"> a. Language modified to read as follows: “The property must be located within the incorporated City of Houston, which is within eligible counties.” vs. The property must be located within the within the City of Houston, which is 	

		<p>within eligible counties located in a CDBG-DR eligible county.</p> <p>b. Item #3 modified/shifted to read: All Multifamily developments must be environmentally cleared by the City and the GLO.</p>	
0.4	December 20, 2019	<ol style="list-style-type: none"> 1. Language added under allowable cost to include post-closing cost and abatement under demolition. “Allowable cost can be applied to the following: Acquisition of existing multifamily properties and land to create green spaces and/or detention. Post-closing cost related to acquiring the property. Demolition which will serve to reduce density in vulnerable areas. Asbestos abatement cost. “ 2. Incorporated DOB and Subrogation Agreement and form to for each project file 	9
0.5	August 31, 2020	<ol style="list-style-type: none"> 1. Language modified to read as follows “The maximum amount of assistance to be made available will be limited to the FMV of the property. The assistance provided to the proposed properties will not exceed the amount allocated to Harvey Buyout program, which is \$40,800,000.00 (“Maximum Assistance”).” 	10
0.6	October 13, 2020	<ol style="list-style-type: none"> 1. In response to item #2 of the conditional approval letter: The following language was implemented into the GLs “The appraisal report will be used to document the City’s method of establishing cost reasonableness for the acquisition costs.” 2. In response to item #3- “The maximum amount of assistance to be made available will be limited to the FMV of the property. The assistance provided to the proposed properties will not exceed the amount allocated to Harvey Buyout program, which is \$40,800,000.00” 3. In response to the methodology used to determine the benefit area: additional language was implemented under the “selection criteria”. 	7 8 8
0.7	February 25, 2021	<ol style="list-style-type: none"> 1. In response to item #3- AFFH: language modified to read as follows “all awarded properties will be evaluated through an environmental review. In addition to this, the City will Affirmatively Furthering Fair Housing (AFFH) by removing 	11

		<p>properties from undesirable locations with repetitive flood loss. Through the one-for-one replacement of these properties, tenants will be relocated to the Community Reinvestment Areas (CRAs) DR-17 Multifamily Rental program, which will create 2991 affordable housing units and available to tenants relocated from the buyout properties.</p> <p>2. “Any program income generated from these properties will be applied to the property management fees and operating costs. The remaining income after operations will be applied towards the demolition costs.</p>	16
0.8	March 19, 2021	<p>1. Language modified to include reference to tenants will be relocated out of areas of repetitive flood loss to more desirable areas, which also demonstrates that they program is Affirmatively Furthering Fair Housing (AFFH).</p> <p>2. Language modified under URA section to read as follows: “HCDD will perform all relocation efforts, which includes but not limited to incorporating a one-for-one replacement plan to provide tenants with alternative development units to prevent or avoid displacement.”</p> <p>3. Included Section 104(d) section which accounts for One-for-One Plan, Residential Anti-Displacement and Relocation Assistance Plan, and applicable waivers.</p>	11 20 21
0.9	April 28, 2021	<p>1. “HCDD will provide alternative options under the Community Reinvestment Areas (CRAs) DR-17 Multifamily Rental program, creating 2991 affordable housing units that tenants may also consider. “</p>	11

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Introduction

The Harvey Buyout program, is a voluntary program administered through the City of Houston to assist properties that were impacted more than once by Presidentially Declared natural disasters. Our Harvey Buyout programs seek to purchase properties located in a floodway or floodplain to reduce risk from future flooding by converting the properties into greenspaces or detention. This means any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for that use with open space, recreational, or floodplain and wetlands management practices. HCDD will use data to design and evaluate the success of our programs and will be transparent about how the buyout program is unfolding.

Harvey Buyout Administration

The Disaster Recovery (DR-17) Harvey Buyout (HB) program is intended to assist eligible City of Houston (City) applicants whose affordable housing units were directly impacted by 2017 Flood Events. The primary focus of the HB program is to provide relief to survivors who were affected by these events while complying with all Community Development Block Grant- Disaster Recovery (CDBG-DR) requirements and addressing impediments to fair housing choice as required under the Fair Housing Act. The Department of Housing and Urban Development (HUD) announced that Texas would receive over \$5 billion in CDBG-DR funds. The Texas General Land Office (GLO) submitted its Action Plan to HUD, which allocated \$1,175,954,338.00 to the City. Of this allocation, \$40,800,000.00 would be used for the development and implementation of buyout programs that will directly benefit City residents. HUD outlined the allocations and applicable waivers and alternative requirements in Federal Register Notice published on February 9, 2018 (83 Fed. Reg. 5844). Subsequent publications of waivers and alternative requirements can be found in the table below under Applicable Laws & Regulations.

The HB program will address the major disaster which impacted the City of Houston in 2017. On August 25, 2017, a Major Disaster Declaration was issued for “Texas Hurricane Harvey” and was designated DR-4332. Through the HB program, the City of Houston’s Housing and Community Development Department (HCDD) will acquire properties located in a floodway or floodplain with the intent to reduce the risk of future flooding. The proposed sites will be selected internally by HCDD in coordination with Houston Public Works (HPW), to identify developments that are environmentally vulnerable to future disasters. This buyout method will strategically pursue opportunities to acquire contiguous parcels of land for uses compatible with open space, recreational, natural floodplain functions, ecosystem restoration, or wetlands management practices.

The City of Houston, at its sole discretion, shall interpret and apply these Guidelines, except for those provisions for which GLO or HUD has indicated that prior approval is required for implementation. HCDD will utilize standard operating procedures to implement the program and modify them to meet any changes made to such rules and regulations of the oversight entities, which may occur over time. At all times, should any conflict in these procedures exist with the applicable funding resource, the

requirements of the funding source shall take precedence, other than local preferences that are allowable under federal and state regulations.

The City of Houston will administer its HB program in accordance with these program Guidelines, City of Houston Policies and Procedures, and applicable federal, state, and local laws, regulations, ordinances, and rules.

Roles and Responsibilities

Daily administration of the HB program will be under the direct supervision of the Director of HCDD, or the Director’s designee (collectively, hereafter “Director”) within HCDD’s Public Facilities Division. The Public Facilities Division in collaboration with HPW will be responsible for eligibility determination, inspection and environmental protocols, contract and contractor assignment, construction, and completion. The HCDD Finance Division will authorize payments to contractors after review and validation of submitted invoice packages by the Public Facilities Division.

CDBG-DR National Objectives

In support of HUD’s buyout objectives, the City of Houston has specifically designed its buyout programs to protect Houston’s low-to-moderate income residents from unsafe multifamily structures, from damage inflicted by Hurricane Harvey, and any previous flood events. As expressed in the federal Housing and Community Development Act of 1974, Pub. L. 93-383, 88 Stat. 633-2 (codified as amended at 42 U.S.C. §§ 5301-5321) (the “HCDA”), the primary objective of the general Community Development Block Grant (“CDBG”) program is “the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-and moderate -income.” Community Development Block Grant – Disaster Recovery funding appropriated in response to disasters must meet the general goals of the CDBG program.

All CDBG-DR-funded activities through the City of Houston Harvey Buyout program will meet at least one of the following National Objectives defined in the federal CDBG regulations:

- Benefiting Low- to Moderate-Income (“LMI”) persons
 - LMI Area Benefit – (because the area will be maintained as greenspaces and/or detention, which will benefit 51 % of the residential service area)
- Urgent Need (“UN”)
 - Meet a need having a particular urgency (referred to as urgent need)

Applicable Federal Register Notices

Federal Register (FR)	Date of Publication	Public Laws	Location:
83 Fed. Reg. 5844	2/9/2018	P.L. 115-56	https://www.federalregister.gov/d/2018-02693
83 Fed. Reg. 40314	8/14/2018	P.L. 115-123	https://www.federalregister.gov/d/2018-17365
84 Fed. Reg. 4836	2/19/2019	P.L. 114-245	https://www.federalregister.gov/d/2019-02695

Program Description

The Harvey Buyout Program is an initiative to finance the acquisition of properties that were directly impacted by the storm. The department will administer this program directly to acquire properties at current market rate value. Thus, sellers of the properties will not be considered beneficiaries under this program.

Harvey Buyout Program Eligibility Overview

ELIGIBLE PARTICIPANTS:

Activities for the HB program will be performed directly by HCDD. Any person or entity under contract with HCDD (sellers) will be required to comply with the following:

1. Sellers and their owners must be in good standing with HCDD on all previous grants, loans, or loan commitments. In addition, Applicant must affirm that there are no defaults or negative collection actions relating to any financial obligation, either to the City of Houston or any other public agency or private lender.
2. Sellers, developer owners, principals, development/borrowers or general contractors must not be debarred as cited on federal and state debarment lists in accordance with [24 C.F.R. 570.609](#), as well as other applicable laws.
3. Owners must not discriminate based on ethnicity, race, color, creed, religion, gender, national origin, age, disability, marital status, sexual orientation, gender identity, or Veteran's discharge status.
4. Sellers will be current on city property taxes.

The HB program will be operated by HCDD and utilize post-disaster Fair Market Value (FMV). Thus, HCDD will not have any direct beneficiaries under this program. This assessment will be used consistently and fairly across the program.

ELIGIBILITY REQUIREMENTS:

To be considered eligible under the HB program, the buyout property must satisfy all following requirements:

1. The property must be located within the incorporated City of Houston, which is incorporated within eligible counties of Harris County, Montgomery County and Ft. Bend County.
2. At the time of the 2017 flood event, the property must have had a rental multifamily structure located onsite. Properties will remain eligible if the owner demolished building structures subsequent to the storm event.
3. All multifamily developments must be environmentally cleared by the City and the Texas General Land Office.
4. The seller must be able to demonstrate clear title. Sellers unable to demonstrate clear title are not eligible for this program.
5. The property must have documented damages from Hurricane Harvey.

- a. HCD will document that the damage or destruction to unit occurred by the event by the following:
 - FEMA, Small Business Administration (SBA) or Insurance Award Letters; - If the above-referenced documentation is not available, an inspection report/Damage Assessment (complete with photos of the damage and a written assessment of the damage with each photo taken) conducted by a certified, licensed, or experienced inspector (HQS, TREC license, or similar experience); - If FEMA, SBA, or Insurance Award Letters are not available and an inspection report is inconclusive as to the cause of the damage, The City of Houston- Housing and Community Development Dept. has the option to also provide alternative evidence, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations. GLO approval is required for this form of proof."
6. The property must be in the 100-year floodplain and/or floodway, as identified on the most current Federal Emergency Management Agency ("FEMA") Flood Maps.
7. The program must comply with all applicable federal and state requirements.
8. The property must furnish evidence that property taxes are current, under an approved payment plan, or that the property is otherwise lawfully exempt.
9. Any property acquired, accepted, or from which a structure will be removed through the buyout program will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices, or other purposes allowed by HUD and accepted by the City and the GLO. No new structures will be erected other than:
 - a. A public facility that is open at all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area);
 - b. A rest room; or
 - c. A flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream or downstream, and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure.
10. After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the buyout program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the City to any federal entity in perpetuity for the property in question.
11. All buyout activities must be classified using the "buyout" activity type in the Disaster Recovery Grant Recording ("DRGR") system.

ELIGIBLE ACTIVITIES AND COSTS

Allowable cost can be applied to the following:

1. Acquisition of existing rental multifamily properties/land and soft costs directly related for acquisition
2. Post- closing cost related to acquiring the property.
3. Demolition of structures.
4. Asbestos abatement cost.
5. Relocation to remove owner-occupants and/or tenants from vulnerable areas. *Please refer to "Uniform Relocation Act and Real Property Acquisition" section below.*

HCDD's Standard Operating Procedures (SOP) for the HB program will outline, document requirements, and evaluation methodologies for all activities listed. All acquisition cost will be supported by an independent appraisal report. The appraisal report will be used to document the City's method of establishing cost reasonableness for the acquisition costs.

MAXIMUM ASSISTANCE

The maximum amount of assistance to be made available will be limited to the FMV of the property. The assistance provided to the proposed properties will not exceed the amount allocated to Harvey Buyout program, which is \$40,800,000.00 ("Maximum Assistance").

Harvey Buyout Program Prioritization

HCDD, in partnership with HPW, has established funding priorities for the program and the selection is based on HPW's readiness of projects and available funding. In order of preference, the priorities are as follows:

1. Properties with repetitive flood loss from the years 2015-2017 in conjunction with Harvey damages; and
2. Properties located or adjacent to an ongoing HPW mitigation project, which supports the overall program to reduce the risk of future flooding.

Selection Criteria

1. Projects identified by HPW) must create additional benefits to LMI areas. The benefit area for proposed buyout projects will be based on engineering analyses completed for HPW.
 - a. HPW, through its consultant services, will conduct a preliminary engineering studies of drainage deficiency areas using hydraulic and hydrologic modeling. The H&H modeling illustrates impacts based on storm sewer capacities and overland flows.
 - b. Flood mitigation projects, particularly increasing storm system sizing, provide improved conveyance of stormwater from neighborhoods.
 - c. Stormwater conveyed through the storm sewer system is sometimes required to be detained to avoid negative impacts to receiving channels/bayous.
 - d. Detention basin locations are a function of storm sewer system flows and elevations.
 - e. The benefit area for detention basins at buyout sites is the drainage area from which stormwater will be drained.
 - f. Boundaries of the drainage areas are provided to the GIS team for case-by-case mapping and confirmation that the sites benefit LMI areas.
2. The hazard must have been caused or exacerbated by the Presidentially declared disaster for which the City received its CDBG-DR allocation.
3. The hazard must be a predictable environmental threat to the safety and well-being of program beneficiaries, as evidenced by the best available data and science.
4. All awarded properties will be evaluated through an environmental review. In addition to this, tenants will be relocated out of areas of repetitive flood loss to more desirable areas, which also demonstrates that the program is Affirmatively Furthering Fair Housing (AFFH). HCDD will provide alternative options under the Community Reinvestment Areas (CRAs) DR-17 Multifamily Rental program, creating 2991 affordable housing units that tenants may also consider.

A program that provides post-disaster Fair Market Value (FMV) to buyout applicants provides the actual value of the property; thus, the seller is not considered a beneficiary of CDBG– DR assistance. Regardless of purchase price, all buyout activities are a type of acquisition of real property (as permitted by the HCDA at 42 U.S.C. 5305(a)(1)). However, only acquisitions that meet the definition of a “buyout” are subject to the post-acquisition land use restrictions imposed by the applicable prior notices.

Buyout Incentives

As HCDD is working with commercial buyers utilizing post- disaster FMV, the seller is not considered a beneficiary of CDBG– DR assistance. HCDD will not have any buyout incentives within this program.

Community Engagement/Affirmative Marketing/Outreach Plan

The City of Houston engaged in a robust community engagement strategy to inform Houstonians on the status of their local government’s efforts to secure funding for long-term recovery related to the 2017 Presidentially Declared Disaster. The City, through HCDD, is committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts will include the development of an Affirmative Marketing & Outreach Plan based on U.S. Department of Housing and Urban Development (HUD) regulations to ensure that units financed through the Program are affirmatively marketed to the public at large. The Affirmative Marketing & Outreach Plan will give detailed information about how the City of Houston plans for effective outreach to all groups of homeowners, landlords, and renters mentioned above, as well as how the process for programs will be suitable for persons with limited English proficiency, persons with disabilities and those with special needs. For each program offered by the City, notification to these populations will include: information on vacant units available for sale and/or rent; information on how to apply for unit purchase, and opportunities to buy and/or rent the unit of their choice.

Particular emphasis will be focused on successful outreach to LMI areas and those communities with minority concentrations that were affected by the storm. In addition to marketing through widely available media outlets, efforts may be taken to affirmatively market the City’s CDBG-DR program as follows:

- Advertise with the local media outlets, including newspapers and broadcast media.
- Include flyers in utility and tax bills advertising the City’s CDBG-DR-funded recovery programs.
- Reach out to public or non-profit organizations and hold/attend community meetings.
- Other forms of outreach tailored to reaching the eligible population may be used, including door to door outreach, if necessary, particularly on the weekends.
- Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.

HCDD has discretion in the modification and/or addition of requirements to the Outreach Plan.

Needs Assessment

The City of Houston submitted a Local Action plan to GLO for incorporation into the State of Texas Plan for Disaster Recover. GLO’s methodology, adopted from HUD as presented in 83 Fed. Reg. 5844, was used to calculate unmet needs in the Local Action Plan. The methodology used FEMA Individual Assistance (IA) information and considered certain owners as having unmet needs for the most impacted and seriously damaged housing units. Information has been gathered from several sources to document the impact of Hurricane Harvey including demographic profile of impacted households including low-and moderate households. This needs assessment uses a modeling approach to estimate the citywide impact of floodwaters on all residential buildings

The entire City of Houston is located in an area HUD identified as “most impacted and distressed” as it relates to the damage from Hurricane Harvey. The Local Action Plan and Local Housing Needs Assessment are the basis for the development and prioritization of recovery activities in Houston using CDBG-DR funds. As additional data becomes available the unmet needs and activities to address community needs through CDBG-DR funds may be updated. Deviations from goals must be approved by the City before the Program may move forward. Each needs assessment will be posted for a 30-day public comment period and approved by the GLO before implementation.

Procurement

The City must maintain adequate documentation to show that selection processes were carried out in an open, fair, uniform, and thorough manner to ensure that federal (2 C.F.R. §§ 200.318–200.326), state, and City requirements were met.

Record retention records must include, but are not limited to, the following information:

- Rationale for the method of procurement;
- Evaluation and selection criteria;
- Contractor selection or rejection; and
- The basis for the cost or price.

During the procurement process, the City will clearly identify any items included in the bid/purchase. The City may utilize HUD’s CDBG-DR Procurement Guidance.

Goods and services must be procured using the federal procurement and contract requirements outlined in 2 C.F.R. §§ 200.318 – 200.326. These procurement requirements must be followed for costs to be deemed eligible for reimbursement from CDBG-DR funds provided by HUD. The City is also required to follow state and local procurement law and policies, as well as the additional requirements stated in 2 C.F.R. Part 200, as applicable.

Additionally, the City’s Strategic Procurement Division (SPD) may issue solicitations, review draft solicitations, or review solicitation responses prior to award for compliance with applicable city, state and federal rules and regulations. The City will clearly identify during the procurement process any items included in the bid/purchase that are not included in the CDBG-DR contract.

Regardless of the type of procurement used, the City shall execute a contract to document the period of performance, the work to be completed, the agreed price, and contractor or provider's required compliance with all applicable federal, state, and local requirements that the City must follow. If there is a conflict between federal, state, and local laws and regulations regarding procurement, the more stringent law or regulation will apply.

Additionally, subrecipients, vendors, and contractors are required to achieve compliance with Section 3 of the Housing and Urban Development Act of 1968, Pub. L. 90-448, 82 Stat. 476 (codified as amended at 12 U.S.C. § 1701u) and the appurtenant regulations at 24 C.F.R. Part 135 (collectively, "Section 3"). The City strongly recommends that HUD's best practices be utilized to help achieve compliance (HUD Model Section 3 Plan), including creating a Section 3 Plan. The City is also required to "take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible." (2 C.F.R. § 200.321).

Furthermore, HUD requires the City to maintain a comprehensive public disaster recovery website that provides information for individuals and entities awaiting assistance for Harvey-related damage, and the general public to see how all grant funds are used and managed/administered. To meet this requirement, the City shall make the following applicable items available to post on City's disaster recovery website (www.recovery.houstontx.gov): procurement policies and procedures; description of services or goods currently being procured; state administrative contracts and a summary of all procured contracts (as defined at 2 C.F.R. § 200.22), including those procured by the City (e.g., a summary list of procurements, the phase of the procurement, details of ongoing procurement processes, requirements for proposals, etc.). Updated summaries must also be posted monthly on the website. HUD will post guidance related to this requirement on the HUD Exchange website (www.hudexchange.info).

Financial Management

The City of Houston, as a CDBG-DR subrecipient, is required to follow the financial administration requirements outlined in 24 C.F.R. Part 570, [2 C.F.R. Part 200](#), and applicable federal registers. These standards help ensure that the financial systems put in place by the City:

1. Provide adequate, current, and complete disclosure of the financial results (regular financial reporting) of all financially assisted activities, in accordance with the financial reporting requirements of the grant.
2. Document that funds have been used only for authorized purposes. For CDBG-DR this includes not only eligible activities but that the funded projects meet a National Objective;
3. Maintain accounting records that show the sources and uses of funds, displaying funds authorized, obligated and unobligated balances, assets, liabilities, outlays or expenditures and income;
4. Establish effective internal controls over all cash, real and personal property, and other assets acquired with program funds;
5. Track actual program cost against program budget in a manner that relates to program productivity and accomplishments;

6. Use Uniform Administrative Requirements outlined in [2 C.F.R. Part 200](#) principles to determine whether program costs are reasonable, allowable, and can be allocated, either directly or indirectly;
7. Maintain source documentation for accounting records;
8. Implement procedures for cash management that permit the timely disbursement to applicants and complete and accurate monitoring and reporting; and
9. Comply with [2 C.F.R. 200, Subpart F](#).

The roles and responsibilities described below are related to the financial management of the City's CDBG-DR allocation for Hurricane Harvey. These descriptions are not intended to be an exhaustive list of activities performed by each entity in relation to the CDBG-DR grant or in general.

THE CITY OF HOUSTON

1. Finance Department – The Strategic Procurement Division (“SPD”) is housed within the City of Houston’s Finance Department and is responsible for procuring goods and services for CDBG-DR funded activities.
2. The City Controller –The Office of the City Controller certifies the availability of funds prior to City Council approval of City commitments, processes and monitors disbursements, invests the City's funds, conducts internal audits of the City's departments and federal grant programs, operates and maintains its financial management system, conducts the sale of public improvement and revenue bonds and produces a comprehensive annual report of City finances - Comprehensive Annual Financial Report (“CAFR”). The Controller will be responsible for providing a variety of approvals for release of CDBG-DR funds as payment to contractors and beneficiaries.
3. Housing and Community Development Department (“HCDD”) – HCDD is the grant manager for The City’s Hurricane Harvey CDBG-DR allocation and responsible for administering all programs.
 - a. Public Facility Division: This division is responsible for project selection, develop underwriting standards and implement program activities, and document demolition activities.
 - b. Finance Division: This division is responsible for processing CDBG-DR grant funding through the Systems Applications and Products (“SAP”) and reporting all required data into the GLO system of record which, is the Texas Integrated Grant Reporting (“TIGR”) System, and reconciling budgets and expenditures. This division is also responsible for processing payment requests in SAP and federal reimbursement requests to the GLO to be realized in the City’s budget.
 - c. Planning and Grants Management Division: This division is responsible for the City’s planning documents, substantial amendments, project/activity budget set-up and completion in TIGR and related reporting to HUD and GLO.
4. Public Works: This department will be responsible to assist HCDD in the selection process.

PROGRAM INCOME

Any program income generated from these properties will be applied to the property management fees and operating costs. The remaining income after operations will be applied towards the demolition costs.

Environmental

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users.

All properties assisted under this Program will be subject to an Environmental Review by the City prior to the sales agreement. If the project passes the Environmental Review, the city will issue a Letter of Intent.

A commitment of funds can occur only upon satisfactory completion of an environmental review to determine whether the project meets federal, state, and local environmental standards, and receipt by the City of a release of funds from HUD under 24 C.F.R. § 58.35(a) or 58.36. Properties must agree that the provision of any funds to their project(s) is conditioned on the HCDD's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review. In addition, the following regulations are applicable:

- Per 24 C.F.R. § 58.5(i)(2)(i), it is HUD policy that all properties that are being proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.
- Per 24 C.F.R. § 58.5(i)(2)(ii) the environmental review of multifamily rental structure with five or more dwelling units (including leasing), or non-residential property, must include the evaluation of previous uses of the site or other evidence of contamination on or near the site, to ensure that the occupants of proposed sites are not adversely affected by any of the hazards listed in paragraph (i)(2)(i) of this section.
- Lots to be acquired for selection cannot and will not undergo any development or other activity that constitutes a choice limiting action per 24 C.F.R. § 58.22, regardless of whether HUD or non-HUD funds are used. No HUD funds can or will be used prior to the issuance of the Release of Funds/Authority to Use Grant Funds ("AUGF") and all necessary site-specific environmental review and clearance as required by 24 C.F.R. Part 58.
- Regulations found at 24 C.F.R. Part 58 also govern sound mitigation requirements if noise levels in a Normally Unacceptable Noise Zone (NUNZ, 65-75 decibels (dB)) or Unacceptable Noise Zone (UNZ, 75+ dB), and regulations found at 24 C.F.R. Part 55 govern flood mitigation for any existing properties that reside in the 100-year floodplain.
- Hazardous materials described at 24 C.F.R. § 58.5(i)(2)(i) cover all forms of contamination, including but not limited to lead and asbestos that may be found in older buildings, particularly those built prior to 1978.

An ASTM E1527-13 Phase I Environmental Site Assessment (“ESA”), under 6 months of age, must accompany projects involving acquisition.

ACQUIRED PROPERTY REQUIREMENTS

All projects selected for financing will require City Council approval. Upon approval, HCDD will require project documentation including but not limited to:

- Final drafts of all required HCDD loan documentation.
- Survey, appraisal, and liability insurance all current and in place.
- Tenant Selection Policy, Actual Lease with Addendum, Affirmative Marketing Plan, Notice to Real Property, Relocation Plan and Budget if applicable, and Rent Schedule must be reviewed and approved by Administrative Director of Portfolio Compliance (“ADPC”) and AD.
- Release of Funds Authorization from HUD.
- Assure all regulations of the Uniform Relocation Assistance Act and Real Property Acquisition Policies Act of 1970, Pub. L. 91-646, Jan. 2, 1971, 84 Stat. 1894 (codified at 42 U.S.C. §§ 4601-4655, as amended) (the “URA”) have been and will be followed.
- 30 day posting periods for Environmental and Grants Management.
- Verification of Payment and Performance bond in place or acceptable letter of credit.

Relocation

If existing tenants are required to move out of their units as a result of a project receiving federal funding, the developer must comply with both the URA as well as HCDD’s Policies and Procedures for Relocation. The URA requires that the owner of the property receiving federal funding must provide notices, advisory services, moving cost, and assistance to tenants impacted by acquisition and demolition. HCDD will procure a relocation consultant to provide advisory and relocation services for the tenants.

HCDD will prepare a Relocation Plan and budget for any proposals of occupied developments that will require relocation of current/displaced residents. The requirements include, but are not limited to: recordkeeping, document submittals, monthly reporting, and providing documentation related to efforts made to meet compliance to the URA. Projects are subject to monitoring compliance reviews.

MOVING COSTS

If the buyout is a voluntary acquisition of an owner-occupied residence, owners are not entitled to assistance under the URA. However, moving expenses may be provided if funds are available under the maximum award after buy-out and demolition costs are covered.

Cross Cutting Federal Regulations

This program will be designed and implemented in compliance with cross-cutting federal regulations when applicable, including:

DAVIS-BACON LABOR STANDARDS

The Davis-Bacon Act and Related Acts (“DBRA”) applies to contractors and subcontractors carrying out federally funded or assisted contracts in excess of \$2,000 for the fringe benefits for corresponding work on similar projects in the area. In some cases, City of Houston Prevailing Wage Law is in effect. In these cases, the higher prevailing wage rate between the Federal Government and the State must be adhered to and made applicable. For prime contracts of more than \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular pay for all hours worked over 40 in a work week. Additionally, HCDD must follow the reporting requirements per HUD and the U.S. Department of Labor regulations. This requirement also extends to HCDD’s subrecipients and contractors.

According to HUD Labor Relations Letter 2009-01; demolition, by itself, is not necessarily considered to be construction, alteration or repair (i.e. activities to which Davis-Bacon requirements may apply). Therefore, in most cases, demolition is not covered by Davis-Bacon requirements unless it will be followed by Davis-Bacon – covered construction.

EQUAL EMPLOYMENT OPPORTUNITY

Executive Order 11246, Equal Employment Opportunity, as amended, prohibits federal contractors and federally-assisted construction contractors and subcontractors who do over \$10,000 in government business in one year from discriminating in employment decisions based on race, color, religion, sex, sexual orientation, gender identity, or national origin. The Executive Order also requires government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment. This regulation is adhered to within HCDD programs.

FAIR HOUSING

The Fair Housing Act, 42 U.S.C. §§ 3601-3619, requires all grantees, subrecipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability, or marital status. HCDD enforces the Fair Housing Act by ensuring that all grantees, sub-recipients, and/or developers meet the applicable Fair Housing and Affirmative Marketing requirements, provide a marketing plan, and report on compliance in accordance with the Fair Housing Act and the associated forms on HCDD website, where applicable. The Affirmative Marketing Plan must comply with applicable Fair Housing Laws and demonstrate how the applicant will affirmatively further fair housing throughout applicable HCDD disaster recovery programs.

FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED

The Fair Labor Standards Act of 1938, 29 U.S.C. §§ 201-219, as amended (“FLSA”), establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half times the basic hourly rate of pay for hours worked more than 40 per week. These labor standards are applicable to the entire construction contract, regardless if CDBG-DR funds finance only a portion of the project. Excluding the exceptions listed below, all workers employed by contractors or

subcontractors in the performance of construction work financed in whole or in part with assistance received under HCDD CDBG-DR program must be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the DBRA, as amended.

LIMITED ENGLISH PROFICIENCY

Federal Executive Order 13166 requires HCDD and all satellite offices, programs, subrecipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (“LEP”) and/or deaf/hard of hearing. HCDD ensures fair access through the implementation of a Language Assistance Plan (“LAP”), which includes non- English-based outreach, translation services of vital documents, free language assistance services, and staff training. Refer to the “Language Assistance Plan” Provision of Language Assistance Services for additional guidance and protocols.

MINORITY- AND/OR WOMAN-OWNED BUSINESS ENTERPRISES

Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned Business Enterprises (“MBEs”). 2 C.F.R. § 200.321 requires the non-federal entity to take all necessary affirmative steps to ensure that minority-owned, woman-owned, and small business enterprises (collectively “MWSBE”) and labor surplus area firms are used when possible and for the non-federal entity to require its subrecipients and contractors, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of 2 C.F.R. § 200.321(b).

Subrecipients and contractors are required to comply with the City’s MWSBE program as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Contractor shall make good faith efforts to award subcontracts or supply agreements in at least the value stated in a subrecipient agreement or contract. Subrecipients and contractors must comply with the requirements for good faith efforts on file with the City’s Office of Business Opportunity (“OBO”).

Any contract, agreement or other undertaking anticipated for construction work in excess of \$1,000,000, or the supply of goods or non-personal or non-professional services in excess of \$100,000, for which Competitive bids are required by law shall comply with Citywide Goals on projects administered by HCDD.

The Contractor shall complete the MWSBE Monthly Utilization Report and payment reporting in the Contract Compliance and Monitoring System B2GNow (available at <https://houston.mwdbe.com/>). The Contractor shall comply with further, applicable instructions regarding reporting and compliance, per program requirements.

SECTION 3

Section 3, as earlier defined, applies to activities under this program. Under Section 3, to the greatest extent feasible, for any contract award in excess of \$100,000, the Contractor shall direct opportunities for training and employment to low-income residents of the City and shall direct contracting

opportunities for work in connection with the project to business concerns which are located in or owned in substantial part by persons residing in the City.

Contractors shall comply with regulations under 24 C.F.R. Part 135 and will submit monthly Utilization Reports that document subcontractor's participation that are subject to provisions of Section 3. Additionally, program administrators will comply with reporting requirements, per HUD and GLO to document all actions taken to comply with Section 3 requirements.

UNIFORM RELOCATION ACT AND REAL PROPERTY ACQUISITION

The City will comply with URA regulations as required under the URA and Section 104(d) of the HCDA. The applicable federal regulations are located at 49 C.F.R. Part 24 (URA), 24 C.F.R. § 42.104(d) (HCDA), and in the Real Estate Acquisition and Relocation Policy and Guidance Handbook (HUD Handbook 1378). The February 9, 2018 Federal Register Notice (83 Fed. Reg. 5844) waives the one-for-one replacement requirements at Section 104(d)(2)(A)(i)-(ii) and (d)(3) and 24 C.F.R. § 42.375 for the Hurricane Harvey CDBG-DR allocation. HCDD will perform all relocation efforts, which includes but not limited to incorporating a one-for-one replacement plan to provide tenants with alternative development units to prevent or avoid displacement.

HCDD must provide the following benefits to households or businesses that they permanently displace:

- Relocation advisory services;
- A General Information Notice, Notice of Eligibility, 90-day and a 30-day notice to vacate;
- Reimbursement for out of pocket eligible expenses, moving expenses; and
- Payments for added cost of renting or purchasing comparable Replacement Housing Assistance.

DISPLACEMENT OF PERSONS AND/OR ENTITIES

Displaced people, regardless of income, can receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA" or "Uniform Relocation Act"). URA applies to both temporary (during construction) and permanent displacement (one year or greater). The URA provides that a displaced person is eligible to receive a rental assistance payment that covers a period of 42 months.

Optional relocation policies: Regulations at 24 CFR 570.606(d) is waived and grantees, or their subrecipient, receiving CDBG-DR funds may establish optional relocation policies.

Waiver of section 414 of the Stafford Act: to the extent that is applied to acquisition, rehabilitation or demolitions of real property for a project beginning more than one year after the disaster to simplify the administration of the program by the waiver does not apply to persons that meet the occupancy requirement to receive replacement housing.

SECTION 104(D)

Under section 104(d) of the Housing and Community Development Act of 1974, as amended (HCD Act) (Pub. L. 93-383, 42 U.S. C. 5301 et seq) and the implementing regulations at 24 CFR part 42, a *residential anti-displacement and relocation assistance plan* is required. 104(d) requires *relocation assistance for displaced lower-income residential tenants*. It also does not provide protection or assistance for persons with incomes above the Section 8 Low Income Limit.

Section 104(d) requires *one-for one replacement of lower-income dwelling units* that are demolished or converted to other use. If triggered, a One-for-one Replacement Plan is required for a CDBG assisted projects under 24 CFR 42.375(c). The Plan must be made public and allow for public comment for 30-days.

Relocation assistance requirements at section 104(d)(2)(a) of HCD Act and 24 CFR 42.350 are waived to the extent they differ with 49 CFR part 24 for activities related to disaster recovery providing that a displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months.

The program will adhere to the latest applicable waivers and regulatory requirements as it relates to One-For-One Replacement Plan, HCDD's latest Residential Anti-Displacement and Relocation Plan, and HCDD's URA Policy, which are publicly posted on the City of Houston's Disaster Recovery Website¹.

REAL PROPERTY

If CDBG-DR funds are used to acquire real property, HCDD shall ensure that the property continues to be used for its intended (and approved) purpose; proper records are maintained to keep track of it; steps are taken to protect and maintain it; and that if the property is sold, HCDD is reimbursed for the CDBG-DR share of the property's value. HCDD, as the grantee, along with its sub-recipients and contractors, must tag and log all property valued greater than \$1,000 and update inventory records annually.

Second, the rules depend on the nature of the property. Real property (e.g., land, buildings) is treated differently than personal property (e.g., equipment, supplies, intangible property such as copyrights). (Property Management and Disposition Regulations 24 C.F.R. § 570.503; Real Property 2 C.F.R. § 200.311; Equipment 2 C.F.R. § 200.313; Intangible Property 2 C.F.R. § 200.315; Supplies 2 C.F.R. § 200.314).

The federal requirements relating to real property are organized according to title (ownership), use, and disposition. In general, the property management system must provide for accurate records, the performance of regular inventories, adequate maintenance and control, and proper sales procedures. Grantees must follow sales procedures that provide for competition, to the extent practicable, and that result in the highest possible return.

¹ <https://recovery.houstontx.gov/buyout/>

INSURANCE AND PROPERTY MANAGEMENT

For all projects in the Program, all property owners must procure and maintain insurance for the duration of the agreement to protect all contract assets from loss due to any cause, such as theft, fraud, and physical damage. If CDBG-DR funds are used to acquire real property or personal property, the property owner is responsible for ensuring that:

1. The property continues to be used for its intended (and approved) purpose;
2. The subrecipient keeps track of, and takes care of, the property; and
3. If the subrecipient sells or disposes of the property during the contract period, the subrecipient reimburses HCDD for the share of the property's value according to the agreement.

RECORD KEEPING, RETENTION AND FILE MANAGEMENT

In accordance with HUD regulations, the GLO as the recipient of CDBG-DR funds, and the City as the subrecipient follow the records retention requirements of 2 C.F.R. Part 200, which includes financial records, supporting documents, statistical records and all other pertinent records. Pursuant to 24 C.F.R. § 570.503(a) the record retention period for the HB program shall be the longer of 3 years after the expiration or termination of the subrecipient agreement between the GLO and the City or 3 years after the submission of the annual performance and evaluation report. The record retention period shall flow down to and be stated in any subrecipient or contractor agreement issued by the City.

RECORD RETENTION

Record retention is a requirement of the program. Records are maintained to document compliance with program requirements and federal, state, and local regulations and to facilitate a review or audit by HUD. The HCDD Records Management Program seeks to ensure that:

- HCDD complies with all requirements concerning records and records management practices under federal and state regulations;
- HCDD has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements, and community expectations;
- These records are managed efficiently and can be easily accessed and used for as long as they are required.

These records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner based on HUD Handbook 2225.6, Records Disposition Schedules and HUD Handbook 2228.2.

ACCESS TO RECORDS (STATE – CITY)

24 C.F.R. § 570.490 and 2 C.F.R. § 200.336:

(c) Access to records.

1. Representatives of HUD, GLO, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.
2. The City shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access

to records regarding the past use of CDBG and CDBG-DR funds consistent with state or local requirements concerning the privacy of personal records.

AUDIT REQUIREMENTS

In accordance with Subpart F of 2 C.F.R. Part 200, non-federal entities that expend \$750,000 or more during their fiscal year in federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions therein. HCDD is responsible for conducting reviews of these single or program-specific audit reports and for coordinating the issuance of management decisions for audit findings relating to HCDD provided federal funds.

FRAUD, WASTE AND ABUSE

The City will assess all program systems, processes and Standard Operating Procedures from an anti-fraud, waste, and abuse perspective. The City will provide anti-fraud training to program staff. Anyone with information regarding known or suspected misappropriation of funds or resources is encouraged to report the information to the City by sending a written report via U.S. mail to the following address: City of Houston, Housing and Community Development Department, 2100 Travis St., Houston, Texas 77002.

All documents to be signed by the applicant will incorporate the following statement in full:

Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. § 287, 18 U.S.C. § 1001 and 31 U.S.C. § 3729.

CONFLICTS OF INTEREST

The program requires all program staff to disclose any relationship with an applicant or contractor. Program staff, program administrators, and contractors who disclose such relationships are placed in roles where there is no opportunity for them to display favoritism or collude to financially or otherwise benefit themselves, the applicant, or the contractor. For example, a customer representative may not perform work on the application of a family member. For purposes of this requirement, “family” is defined to include spouse, parents, mother-in-law, father-in-law, grandparents, siblings, brother-in-law, sister-in-law, and children of an official covered under the CDBG conflict of interest regulations at 24 C.F.R. § 570.489(h).

HCDD may consider requesting an exception to the conflict of interest provisions from the GLO per 24 C.F.R. § 570.489(h)(4) if HCDD has determined that the subrecipient, vendor or contractor has adequately and publicly addressed all the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the HCDA and the subrecipient has complied with the requirements listed in 24 C.F.R. § 570.489(h)(4)(i) and (ii). HCDD considers whether the exception provides a significant cost benefit or essential degree of expertise; whether the opportunity was provided for under open competitive bidding or negotiation; whether the person affected is an LMI person, whether the affected person has withdrawn from his or her functions or responsibilities; whether the interest or benefit was present before the affected person was in a position to benefit from the conflict of interest; or whether undue hardship results from failure to grant the exception.

CONFIDENTIALITY/PRIVACY

The City is committed to protecting the privacy of all individual stakeholders, including the public and those individuals working on the program. The program's policies describe how information is to be handled and protected. The purpose of this privacy policy is to establish when and under what conditions certain information relating to individuals may be disclosed.

The data collected from applicants for the Program may contain personal identifying information ("PII") or sensitive personal information ("SPI") that is confidential under the Texas Public Information Act, Tex. Gov't. Code § 552.160 (TPIA). Under the TPIA, an applicant's name, social security number home address number (but not street name) and telephone number are protected. Individual applications may contain information that the City obtains from the federal that is covered by the Federal Privacy Act of 1974 ("Privacy Act"). The Privacy Act also provides confidentiality of certain PII and SPI and restricts its disclosure. PII and SPI collected under the Program may only be used for limited official purposes:

- Program staff may use PII and SPI throughout the award process to ensure compliance with program requirements, reduce errors, and mitigate fraud and abuse.
- Independent auditors, when hired by the program to perform a financial or programmatic audit of the program, may PII and SPI to determine program compliance with applicable HUD and federal regulations, including the Stafford Act, CDBG-DR regulations and requirements, and State and local law.
- HCDD may disclose an applicant's PII or SPI to those with official Power of Attorney for the applicant or for whom the applicant has provided written consent to do so.

Organizations assisting HCDD in executing the CDBG-DR Program must comply with all federal and state law enforcement and auditing requests. This includes, but is not limited to, HUD, FEMA, FBI, Office of the Comptroller, and the Office of the Inspector General.

Record Keeping and Reporting

The HB program will adhere to the stricter retention policies of either HCDD, the State of Texas, or HUD for the use of CDBG-DR funds as required by the grant.

All official records on programs and activities shall be maintained for at least five years beyond the closing of the grant between the GLO and HUD. Applicant records may be maintained electronically.

Conflicts of Interest

All applicants will be subject to HCDD's Conflict of Interest Policies. No employee, agent, or officer, who exercises decision-making responsibility with respect to CDBG-DR funds and activities, is allowed to obtain a financial interest in or benefit from CDBG-DR activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds of the activities. The HB program will establish safeguards to prohibit employees, officers, and agents from using their position for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties. HCDD may require disclosure of any potential conflict of interest to the governing body of the locality, to the recipient's legal counsel, and as otherwise may be appropriate.

Changes, Waivers, and Conflicts

Waivers to the requirements in these Guidelines can only be approved by HCDD and the GLO and must be provided in writing. If these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state, or federal law.

HCDD will publish all Program Guidelines on the City's website [www.recovery.houstontx.gov]. All guidelines will initially be published for a 30-day public comment period. Any subsequent changes to the Guidelines after approval by the Texas General Land Office will be posted for a minimum of (7) seven days for public comment and the latest versions available on the City's website.

WAIVERS

As the program matures, it is possible there will be requests for waivers and alternative requirements to these Guidelines. These requested changes and waivers must be consolidated, reviewed, and approved by the GLO. To request a waiver, HCDD must submit a written request on HCDD letterhead that includes the following:

1. The Guideline for which the waiver applies
2. The requirement to be waived or altered
3. Alternative requirement or language
4. Detailed statement of how the request is necessary to address unmet recovery needs

GENERAL PROGRAM WAIVER REQUEST

A General Program Waiver request includes a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements, for which approval from the GLO is needed within thirty (30) days. The request must demonstrate that the funds will be used for an eligible CDBG-DR eligible activity and meet a national objective.

Waivers of this category must be published for seven (7) days and public comment received and addressed before implementation.

EMERGENCY WAIVER REQUEST

An Emergency Program Waiver Request is a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements that must be implemented as soon as possible, for example, to resolve or prevent a compliance issue. An Emergency Waiver Request must be submitted to GLO immediately and a response should be received from GLO within five (5) business days.

In the case of requests that must be routed to HUD for approval, it is expected that GLO and the City of Houston will request an expedient response. If the request will not be approved prior to the anticipated or necessary implementation timeline, GLO must notify the City of Houston via official letter of the necessary escalation to HUD and anticipated timing.

Additional requirements may be requested as required for submission depending on waiver type and category.

Guideline Updates/Public Comments

HCDD will publish all Program Guidelines on the City's website [www.recovery.houstontx.gov]: All guidelines will initially be published for a 30-day public comment period. Any subsequent changes to the Guidelines after approval by the Texas General Land Office will be posted for a minimum of seven days for public comment and the latest versions available on the City's website.

Complaints

The City of Houston Housing and Community Development Department (HCDD) welcomes feedback and complaints from any member of the public. Complaints are accepted in writing or over the telephone. Complaints will be responded to in writing within fifteen (15) business days, as practicable. For further information, please refer to the HCDD recovery website,

https://www.houstontx.gov/housing/2016_Flood_Events_Recovery.html

CONTACT INFORMATION

HCDD Mailing Address

Housing and Community Development Department
2100 Travis St., 9th Floor
Houston, TX 77002
Attn: Planning & Grants Management

HCDD Email Address

HCDDComplaintsAppeals@houstontx.gov

Telephone

(832)394-6200

HCDD Business Hours

Monday through Friday
8:00 AM to 5:00 PM

Appeals

HCDD's appeal process will be provided in writing to any appellant upon request or receipt of an appeal, and the same process will be clearly posted on the City's websites, including disaster recovery websites and entitlement program websites. HCDD will keep a record of each appeal that it receives and include all communications and their resolutions therein.

Applicants have the right to appeal decisions made on their program file based on the following:

- Denied services through any of HCDD's programs
- Denial of a request for resolution for tax credits

- Program eligibility determination
- Program award calculation
- Procedural error where the application was not processed by program staff in accordance with the program guidelines
- Affirmatively Furthering Fair Housing

Appeals must be made in writing, and may either be in letter form, through HCDD’s website, or on HCDD’s Appeal Request Form (available on HCDD’s website or at the HCDD office). Written appeals will be accepted either by mail or in-person at the HCDD office. To be considered complete, an appeal must contain the following information:

- Name
- Property Address
- Mailing Address (if different from Property Address)
- Phone
- Contact number (if applicable)
- Email Address
- Reason for Appeal

Appeals must be made within thirty (30) days of notice of the determination on the applicant’s file that generated the appeal. Upon receipt of an appeal, HCDD will respond in writing to the appellant of the program area’s decision regarding the appeal and provide the basis thereof within thirty (30) days, as practicable.

APPEALS REVIEW COMMITTEE

Should the initial appeal process with the program area not achieve a resolution amenable to the appellant, the appellant has the right to escalate the appeal, in writing, to the Appeals Review Committee (ARC). The appellant may only escalate the appeal after the completion of the initial program area process.

The ARC will process the escalated appeal within thirty (30) days, as practicable. The ARC will transmit their decision to the appellant in writing.

TEXAS GENERAL LAND OFFICE

Should the appellant not be satisfied with the outcome determined by the ARC, they have the option to dispute the decision by sending an appeal in writing to the Texas General Land Office (GLO). The appellant has thirty (30) days to submit an appeal directly to GLO following receipt of the ARC’s decision regarding their appeal.

If no word on a pending appeal is received by HCDD within the appropriate timeline from GLO, HCDD will designate the appeal decision made by the Appeals Review Committee as the final decision and consider the matter closed.

CONTACT INFORMATION

HCDD Mailing Address

Housing and Community Development Department
2100 Travis St., 9th Floor
Houston, TX 77002
Attn: Planning & Grants Management

HCDD Email Address

HCDDComplaintsAppeals@houstontx.gov

HCDD Business Hours

Monday through Friday
8:00 AM to 5:00 PM

GLO Mailing Address

Texas General Land Office
PO Box 12873
Austin, TX 78711-2873
ATTN: GLO-CDR

GLO Email Address

cdr@recovery.texas.gov

GLO Telephone

(844) 893-8937
(512) 475-5000

Program Closeout

HCDD assigned program staff will coordinate all required file documentation with applicants and contractors necessary for program requirements and submit for approval of completion and closeout and proper record keeping.

Definitions

Acquisition: Acquisition of Real Property at 100 percent post-disaster fair market value (FMV) of the land and structures that allows City to acquire real property for any public purpose, as set forth in 24 C.F.R. § 570.201(a). Methods of acquisition include purchase, long-term lease (15+ years), donation or otherwise (CPD-17-09). The City has the flexibility to hold any property purchased through acquisition as undeveloped green space and/or detention.

Affirmatively Furthering Fair Housing (AFFH): AFFH is a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic

patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. The HUD AFFH assessment tool and final rule can be found here: https://www.huduser.gov/portal/affht_pt.html.

Buyout- Purchase of an eligible property at the post-disaster Fair Market Value (FMV) with the intent to reduce risk from future flooding or reduce risk from future hazard. The property acquired will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain, and wetlands management practices.

Davis-Bacon Act of 1931 (40 U.S.C. § 3141 et seq.) and Related Acts (DBRA): All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. This applies to the rehabilitation and reconstruction of residential property only if such property contains not less than 8 units.

Demolition: The clearance and proper disposal of dilapidated buildings and improvements.

Environmental Review: All qualified projects must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (“NEPA”) and other applicable state and federal laws.

Event: The Presidentially declared natural disaster, and subsequent flooding, disaster event.

Flood Hazard Area: Areas designated by FEMA as having risk of flooding.

Floodplain: FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.

- “100-year floodplain” — the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year.
- “500-year floodplain” — the geographical area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year.

Floodway: FEMA designated channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

General Land Office (“GLO”): The Texas General Land Office is the lead agency for managing the State’s Community Development Block Grant – Disaster Recovery grants.

Grant Agreement: A funding agreement detailing eligible program costs and project-specific award agreements between HUD and the GLO, including regulatory provisions, certifications, and requirements.

Housing and Urban Development Act of 1968, Section 3: Requires program administrators ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32.

Multifamily Rental (structure): Eight or more rental units in the property.

Property: (used interchangeably) apartment, group of rooms, or single room occupied or intended for occupancy as separate living quarters.

Texas Integrated Grant Reporting (TIGR): TIGR is the GLO system of record for all CDBG-DR grant management and reporting.

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 C.F.R. Part 24) (42 U.S.C. 4601 et seq.) (URA): A cross-cutting federal law established minimum standards for real property acquisition and relocation assistance for federally-funded programs and projects. Congress created the URA to address the impact of federally-funded public improvement projects on people. HUD commonly refers to the law as the URA.

Vendor: Vendors and private grant administrators procured by the city or contractors to provide supplies, equipment, or services necessary to implement the Program and to serve program needs. Upon approval, the vendor may implement the Program or act on behalf of the City.