

2024 Disasters

Housing Guidelines

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Texas General Land Office
Community Development and Revitalization



State of Texas

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Record of Changes

This section describes changes made to this document.

<u>Number</u>	<u>Date</u>	<u>Description</u>	<u>Initials</u>

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The GLO Housing Guidelines provide guidance on how to design, implement, and close a CDBG-DR Housing Program, and should not be construed as exhaustive instructions.

I. INTRODUCTION

The Texas General Land Office (GLO) and Long-Term Disaster Recovery

The GLO’s Community Development and Revitalization department (GLO or ‘the state’) oversees the administration of Community Development Block Grant Disaster Recovery (CDBG-DR) funds allocated to Texas by the U.S. Department of Housing and Urban Development (HUD) following a disaster. CDBG-DR funds are a special appropriation from Congress associated with a Presidentially-declared disaster. The purpose of these funds is to build back stronger and more resilient communities.

From April 26 to June 5, 2024, Texas was impacted by widespread rain, intense winds, tornadoes, and flooding events, including Hurricane Beryl (“2024 Disasters”). HUD allocated \$555,687,000 in CDBG-DR funds to Texas to address unmet needs resulting from the events, with the majority of those funds earmarked to provide housing-related services for qualifying residents.

The GLO’s 2024 Disasters Housing Guidelines (“Housing Guidelines”) are associated with the following CDBG-DR funds:

Table 1. Allocation Announcement Notice (AAN)

Federal Register (FR)	Date of Publication	Public Law(s)	Located at:
90 Fed. Reg. 4759	01/16/2025	P.L. 118-158	https://www.govinfo.gov/content/pkg/FR-2025-01-16/pdf/2025-00943.pdf

HUD identified the Most Impacted and Distressed (MID) counties resulting from the 2024 Disasters (Table 2) in the AAN. The GLO will complete 100 percent of its 2024 Disasters CDBG-DR Housing Program (“Housing Program”) activities in HUD MID counties.

Table 2. Most Impacted and Distressed (MID) Counties

HUD Most Impacted and Distressed Counties
Anderson, Bell, Brazoria, Caldwell, Cooke, Dallas, Denton, Fort Bend, Galveston, Guadalupe, Hardin, Hays, Henderson, Hockley, Jasper, Kaufman, Liberty, Matagorda, Montgomery, Newton, Polk, San Jacinto, Smith, Trinity, Tyler, Walker, Wharton

HUD also identified the following National Objectives in the AAN. The GLO must apply these National Objectives to all housing projects:

- Benefit Low- to Moderate-Income Persons (LMI)
 - Low- and Moderate-Income Housing (LMH): Benefiting low- to moderate-income persons by acquiring or rehabilitating property to provide housing that, upon completion, will be occupied by an LMI household.

- Low to Moderate Housing Incentive (LMHI): Benefiting low- to moderate-income persons by providing or improving residential structures that, upon completion, will be occupied by an LMI household.
- Meet an Urgent Need (UN) by providing housing assistance to individuals who have an income that is more than 80 percent of the area median income (AMI).

The GLO is dedicated to carrying out long-term disaster recovery efforts that replenish lost housing stock for eligible households in HUD MID areas. The GLO will use at least 70 percent of funds designated for Housing Programs to serve LMI households. The remainder of the funds may be used to serve UN households. The GLO will administer the Housing Program using the support of outside parties (vendors and developers). The Housing Guidelines provide a blueprint for designing, implementing, and closing the Housing Program. Questions regarding the Housing Guidelines should be directed to the GLO.

II. PROGRAM OBJECTIVES

The Housing Program will provide relief for disaster survivors while complying with CDBG-DR requirements. Eligible activities under the Housing Program were designed to meet the following HUD objectives:

- Provide decent, safe, and sanitary single and multifamily housing. Construction projects will be high quality and durable.
- Mitigate the impact of future disasters. Each construction project will include mitigation measures, including, but not limited to, one or more of the following: elevation of the first floor of habitable area, retrofitting, green infrastructure, breakaway ground floor walls, impact-resistant windows, fiber cement siding, hurricane straps, wind-rated structures and roofs, storm shutters.

III. PROGRAM DESIGN

The state developed the Housing Program design using quantifiable and verifiable data from HUD, Federal Emergency Management Agency (FEMA), Small Business Association (SBA), Texas Division of Emergency Management (TDEM), and Texas Department of Housing and Community Affairs (TDHCA). The state also developed an Unmet Needs Assessment (see section III.A.2.) that allowed the state to determine how the 2024 Disasters impacted Texas residents with unmet needs.

A. Program Design Requirements

1. National Objectives

As outlined in the Introduction section, all Housing Program activities must benefit either LMI (which includes LMH and LMHI) or UN populations.

2. Unmet Needs Assessment

The GLO created an Unmet Needs Assessment using quantifiable and verifiable data in HUD MID areas. The GLO considered the following income brackets in the Unmet Needs Assessment:

- 0% - 30% AMI – very low income (LMI)
- 31% - 50% AMI – low income (LMI)
- 51% - 80% AMI – moderate income (LMI)
- Over 80% AMI – urgent need (UN)

B. Housing Program Activities

Housing Program activities (Table 3) are included in the GLO’s approved Action Plan.

Table 3. CBDG-DR 2024 Disasters Housing Program

Programs and Eligible Activities	National Objective	Program Administrator
<p>Homeowner Assistance Program (HAP):</p> <ul style="list-style-type: none"> • Rehabilitation • Reconstruction • If approved for rehabilitation or reconstruction: <ul style="list-style-type: none"> ○ Hazard Mitigation ○ Elevation ○ Temporary Relocation Assistance (TRA) 	<ul style="list-style-type: none"> • LMI • UN 	GLO
<p>Homeowner Reimbursement Program (HRP):</p> <ul style="list-style-type: none"> • Reimbursement for homeowner repairs 	<ul style="list-style-type: none"> • LMI • UN 	GLO
<p>Affordable Rental Program (ARP):</p> <ul style="list-style-type: none"> • Rehabilitation • Reconstruction • New construction 	<ul style="list-style-type: none"> • LMI 	GLO

Single family homeowners may apply to receive rehabilitation or reconstruction of, or reimbursement for repairs made to, disaster impacted homes. Rehabilitation and reconstruction services will be provided under the Homeowner Assistance Program (HAP). Reimbursement of costs for repairs undertaken by homeowners will be provided under the Homeowner Reimbursement Program (HRP). These programs have separate application processes. Applicants can either apply for HAP or HRP, but not both. If an applicant is deemed ineligible for HRP due to elevation requirements in the Federal Flood Risk Management Standard (FFRMS), then they may apply to HAP; however, the applicant may not re-apply to HRP after elevation is completed under HAP.

Multifamily developers may apply under the Affordable Rental Program (ARP) for rehabilitation, reconstruction, or new construction services to benefit disaster impacted renters.

All Housing Program applicants must meet eligibility standards to qualify for disaster assistance. Eligibility requirements are outlined in sections V.B. – V.C.

C. Housing Assistance Caps

The GLO set assistance caps for all eligible Housing Program activities. Single-family housing assistance caps applicable to HAP and HRP are outlined in Table 4. Unit costs must be necessary, reasonable, allowable, and allocable, as defined in 2 CFR Part 200 Subpart E. Single-family housing assistance through HAP will be applied using a local composite bid derived during inspection. The composite bid process is outlined in section V.B.2.b.ii.

Table 4. Single Family Housing Assistance Caps

	Reimbursement	Rehabilitation	Reconstruction
<i>Stick-Built Homes</i>			
Non-Historic	\$75,000	\$90,000	\$450,000
Historic	\$75,000	\$175,000	\$550,000
<i>Non Stick-Built Homes</i>			
Manufactured Housing Unit	\$50,000	Not Eligible	\$550,000
<i>Project-Specific Costs</i>			
Elevation		Not Eligible	\$60,000
Water Well		\$20,000	\$20,000
Septic System		\$25,000	\$25,000
Accessibility		\$30,000	\$30,000
Lead-Based Paint/Asbestos/Mold		\$25,000	\$25,000
Radon		\$5,000	\$5,000
HOA/Local Code		\$65,000	\$65,000
Soft Costs*		\$5,000	\$7,000
<i>Public Services</i>			
Temporary Relocation Assistance (moving, lodging, and storage)		\$7,000 or 120 days	\$7,000 or 120 days

* Direct costs specifically related to rehabilitation or reconstruction (utility disconnect or reconnect fees, permits, elevation certificate work, topographic survey costs, damage assessments/inspections, code inspections, homeowners insurance, flood insurance, unforeseen costs, etc.)

Multifamily housing assistance caps are outlined in Table 5. GLO-awarded funds may only be used to reimburse approved expenditures for hard construction costs including site work, direct construction costs, and other construction costs. Acquisition, developer fees, soft costs, and financing costs will not be considered for reimbursement under ARP.

Table 5. Multifamily Housing Assistance Caps

	Rehabilitation	Reconstruction	New Construction
<i>Multifamily Rental Housing (8+ Units)</i>			
Minimum Award Amount	\$500,000	\$500,000	\$500,000
Maximum Award Amount	\$7,500,000	\$7,500,000	\$7,500,000

IV. FINANCIAL PROCEDURES

A. Procurement Requirements

The GLO will select Housing Program vendors through an open, fair, uniform, and thorough process that ensures federal procurement requirements (2 CFR 200.317 and 24 CFR 570.489(g)) and state, local, and agency procurement law and policies are met. For each vendor selection, the GLO will document the method of procurement, evaluation and selection criteria, contractor selection or rejection, and the basis for the cost or price.

The state must execute a contract with a vendor that documents, at a minimum, the work to be completed, the period of performance or date of completion of the work assigned, performance requirements, liquidated damages, agreed pricing, and the vendor’s required compliance with all applicable federal, state, and local requirements. If there is a conflict between federal, state, and local laws and regulations regarding procurement, then the more stringent law or regulation will generally apply.

B. Conflict of Interest

The state is required to have a conflict-of-interest policy that complies with the requirements of 24 CFR 570.489(g), (h), (l), and subparagraphs II.A.1.b(i) and II.A.1.d of HUD’s Universal Notice (90 Fed. Reg. 1754, 1764). This policy prohibits vendors who carry out work related to, make decisions related to, or gain inside information about CDBG-DR activities from directly benefiting from these activities or providing benefit to those with whom they have family (parents, grandparents, siblings, and children) or business ties. The conflict-of-interest policy is applied during the vendor’s tenure and for one year thereafter.

The GLO can consider granting an exception to the conflict-of-interest provision if the GLO determines that the vendor adequately and publicly addressed all concerns generated by the conflict of interest and an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program. A vendor should not enter into a conflict of interest until the GLO receives and approves justification in accordance with applicable procurement laws.

C. Audit Requirements

Vendors employed by the state will be required to comply with the requirements of their executed contracts. The state has developed audit procedures to verify the accuracy of information provided by

the public and monitor vendor activity. The state employs an internal auditor to provide programmatic and financial oversight of state and vendor activities. The GLO will complete a capacity assessment and staffing analysis that identifies potential areas of risk and determines how capacity gaps and gaps in training and technical expertise will be addressed. These audit requirements will support the state's efforts to verify all information provided by applicants and detect and prevent fraud, waste, and abuse of federal funds.

All state and vendor employees must attend fraud-related training provided by the HUD Office of Inspector General (OIG). The state must inform HUD and OIG in writing of any credible evidence of fraud, bribery, or gratuities that breaks Federal criminal law. All other instances of fraud, waste, and abuse can be referred to the HUD OIG Fraud Hotline (1-800-347-3735).

D. Section 3 Requirements

Section 3 of the Housing and Urban Development Act of 1968, as amended, requires the state to ensure that training, employment, and other economic opportunities generated by certain HUD financial assistance 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. The state will report Section 3 information on an annual basis.

E. Expenditure of Funds

The state is required to use HUD's Disaster Recovery Grant Reporting System (DRGR) to draw funds. The state will enter all activities from its approved Action Plan into the DRGR system. The state will begin to draw funds no later than 180 calendar days after HUD approves the state Action Plan and must expend all funds within six years of the date of obligation. The state will update DRGR with quarterly projections and records of performance (Quarterly Performance Report or "QPR"). The state will also report program income information (income receipts, disbursements, revolving loan funds, and leveraged funds) on an annual basis following the closeout of the grant.

V. PROGRAM IMPLEMENTATION

A. HUD Universal Notice Requirements for All Housing Programs

1. Marketing Plan

As prescribed by the Americans with Disabilities Act (ADA), the GLO will provide accommodations during the program outreach, intake, and applications processes for persons with disabilities such as holding meetings in accessible buildings, providing a sign language or language interpreter, and/or providing special devices for the visually impaired, when requested. Every effort will be made to assist such applicants during the entirety of their program participation.

The GLO will offer all outreach materials in English, as well as other languages prevailing in the region in accordance with Title VI of the Civil Rights Act of 1964 and other fair housing and civil rights requirements (e.g., the effective communication requirements under the ADA, codified at 24 CFR §8.6.). The GLO will include the Fair Housing logo on all marketing materials.

The GLO will regularly evaluate marketing and outreach activities to confirm. The GLO will retain all marketing and outreach materials and data and make them available to the public upon request.

2. 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 activities) and permanent (one year or greater) displacement. However, displacement due to the GLO’s Housing Programs is always temporary in nature. Temporary Relocation Assistance (TRA) is outlined in section V.B.2.a.ii.

The GLO established a Residential Anti-displacement and Relocation Assistance Plan (RARAP) to minimize displacement, provide assistance to displaced individuals, and help meet the disability-related needs of the displaced. The RARAP emphasizes the GLO’s commitment to planning construction activities that allow tenants to remain in their dwellings as long as possible, prioritizing the rehabilitation of empty units or buildings, and prioritizing the rehabilitation of housing rather than demolition to avoid displacement. Additionally, the RARAP includes adopting tax assessment policies (e.g., deferred tax payment plans) to reduce the impact of increasing property tax assessments on lower income owner-occupants or tenants, and/or targeting only properties deemed essential to the project.

3. Mitigation Requirements

Mitigation activities are defined as activities that “increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to, and loss of property, and suffering of hardship, by lessening the impact of future disasters.” The GLO will integrate mitigation activities into each single- and multi-family project. Examples of mitigation activities include elevation of the first floor of habitable area, retrofitting, and the use of green infrastructure, breakaway ground floor walls, impact-resistant windows, fiber cement siding, hurricane straps, wind-rated structures and roofs, storm shutters, etc.

4. Website Requirements

The GLO must maintain a comprehensive and public disaster recovery website (<https://www.glo.texas.gov/disaster-recovery>). The GLO updates this website on a quarterly basis. The website must be accessible to persons with disabilities and individuals with limited English proficiency (LEP) in compliance with Section 504, Title II of the ADA, Title VI of the Civil Rights Act of 1964, and Executive Order 12166. Non-English-speaking residents in MID areas will be provided with translation and interpretation services via the GLO hotline (844-893-8937) in the event they need website access assistance.

The GLO will update procurement information (procurement policies and procedures, description of services or goods currently being procured, requirements for proposals, the phase of the procurement, a summary of all procured contracts, as defined in 2 CFR 200.1, and any liquidation of damages associated with a contractor’s failure or inability to implement the contract, etc.) on the website monthly.

The GLO will also post the approved Action Plan, along with any associated amendments, up to date program policies and procedures, quarterly projections, QPRs, and the citizen participation plan on its website.

5. Environmental Requirements

The GLO must complete an Environmental Assessment of the HUD MID areas that complies with 24 CFR 58 and Section 102(2)(C) of the National Environmental Policy Act of 1969 (NEPA) and issue a Finding of No Significant Impact (FONSI). No commitment or disbursement of funds will occur prior to the completion of this review.

This assessment will be tiered in accordance with 24 CFR 58.15. Broad Review will identify potential effects of single- and multi-family rehabilitation, reconstruction, and elevation activities at a county-wide level and ensure their compliance. If compliance cannot be determined in the Broad Review, then the GLO will define a strategy for how compliance will be determined and how impacts will be mitigated during Site-Specific Review. Site-Specific Review requirements are outlined in section V.B.1.c.vi.

6. Complaints and Appeals Process

The GLO accepts complaints and appeals from applicants and community stakeholders. Complaints are generally related to a dispute over a program policy or experience. Appeals are generally a contest of ineligibility, award type, or award amount. Contests of maximum assistance amounts should be considered appeals and will be reviewed on a case-by-case basis. The GLO uses a 2-tiered complaints and appeals process. Complaints and appeals are first submitted to the GLO's vendors for resolution. If a resolution is not reached with the vendor, then stakeholders may submit a secondary complaint or appeal directly to the GLO. Secondary complaints and appeals can be submitted via the GLO hotline (844-893-8937), the GLO inbox (CDR@recovery.texas.gov), the GLO's online form (<https://www.glo.texas.gov/disaster-recovery>), or by mail.

The GLO will acknowledge receipt of all incoming complaints and appeals within five (5) business days. The GLO will then research the complaint or appeal to determine whether it pertains to a GLO application. The GLO will confirm whether additional information is needed from the complainant or the appellant. The GLO will then identify a path to resolution and continue to follow the complaint or appeal until that resolution is reached. Before closing most complaints (simple vendor complaints that do not require extensive research or follow-up are excluded), the GLO must issue a formal resolution letter to the complainant or appellant. The GLO will attempt to provide this letter within ten (10) business days, where possible. If additional time is needed, then the GLO will provide updates to complainants or appellants at least two (2) times per month.

The GLO will document all complaints and appeals information (complainant or appellant contact information and application ID, related program documents, documentation submitted by complainant or appellant, call records, emails, letters, review notes, guidance provided to vendor, builder, or GLO staff related to resolution, date of closure, any other action taken, etc.) in the GLO's system of record (TIGR).

7. Additional Reporting Requirements

In addition to financial information, the GLO must also enter project summaries, monitoring reports, and technical assistance reports into DRGR. For direct benefit activities, the GLO must report the property address, the total number of household members with disabilities, the age of all household members, the household's familial status, the total number of LEP household members, the total number of LMI household members, the race of all household members, and the ethnicity of all household members in DRGR. The GLO must also enter mitigation performance measures (e.g., when a structure constructed in the floodplain is elevated) into the DRGR system.

B. Single Family Housing Programs

Primary eligible activities under the Single Family Housing Programs include rehabilitation of a disaster-impacted home, reconstruction of a disaster-impacted home or manufactured housing unit (MHU), and reimbursement for disaster-related home repairs. Individuals who are deemed eligible for rehabilitation may also benefit from secondary eligible activities such as demolition, hazard mitigation, and/or TRA. In addition to the secondary activities possible with rehabilitation, individuals who are deemed eligible for reconstruction may also receive elevation. Secondary eligible activities will not be made available unless a primary eligible activity has been approved.

1. Program Requirements

a. Application Intake and Case Management

i. Application Announcement and Intake

The GLO will use their website and social media to announce the date that Single Family Housing Program applications will open. All applicants must submit a signed and dated application, which will be assigned a unique application ID. The application can either be submitted virtually via the GLO's online application portal or delivered to one of the GLO's Regional Offices in paper form. The GLO must enter all paper applications into the GLO's online portal within 24 hours of receipt. The GLO's vendors will manually update the submission date of the virtual application to reflect the date that the paper application was received. Program funding is limited. Applications will be processed on a first come, first served basis based on the submitted by date of the complete application.

Both virtual and paper applicants must include a signed and dated acknowledgment page that includes the following statement: "Warning: Any person who knowingly makes a false claim or statement to HUD or causes another to do so may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001, and 31 U.S.C. 3729."

The GLO will be available to assist with application intake. Intake staff will be trained in all housing recovery activity requirements. Intake staff will also provide applicants with referral services (HUD Certified Housing Counselors, Legal Aid, community non-profits, etc.), where appropriate. Hearing impaired, visually impaired, and LEP applicants must be provided with translation and interpretation services, as required by 24 CFR §8.6 and the

effective communication requirements under section 504 and the Americans with Disabilities Act. The GLO's vendors will arrange home visits to assist homebound applicants with their application intake needs.

ii. Case Management

The GLO will provide one-to-one case management from the time of application until the close-out of the file. The applicant will be provided with direct contact information (phone number and email address) for their case manager. The case manager will remain consistent throughout the application process. If an applicant's case manager is no longer available, another one will be assigned. The new case manager must contact the applicant and provide their direct contact information within three business days. Case managers will be required to contact each applicant via their preferred method of contact (email or phone) any time a document is required or the status of the application changes. At a minimum, case managers must make contact once every 30 days. Case managers will document all applicant interactions in TIGR.

iii. Alternate Methods for Checking Application Status

The GLO will ensure that all applicants are provided with multiple methods to check their application status in a timely manner. In addition to direct contact with their case manager, applicants can view their current application status through the GLO's online portal. The online portal will automatically notify the applicant via email every time the application status changes. Applicants can also contact the GLO's hotline at 844-893-8937 or the GLO's email inbox at CDR@recovery.texas.gov for assistance with their application status.

b. Applicant Eligibility Requirements

i. Location of Damaged Address

The damaged address must be located in one of the HUD MID areas in Table 2 for the property to be eligible for assistance. If the damaged address is located outside of the HUD MID areas, then the applicant will be made ineligible.

Applicants located in City of Houston's extraterritorial jurisdiction (ETJ) and/or Harris County will not be eligible for GLO assistance. HUD allocated funding directly to the City of Houston and Harris County so that they may develop and administer their own disaster recovery programs.

ii. Proof of Identity

All household members over the age of 18 must provide proof of identity for the household to be eligible for assistance. Proof of identification must not be expired and must include a photograph of the individual so identity can be verified.

Acceptable forms of proof of identity include, but are not limited to, the following:

- Texas driver's license or Texas Identification Card;
- Other State/Government-Issued I.D.;
- Passport;
- Department of Homeland Security or U.S. Citizenship and Immigration Services documents; and
- U.S. military I.D. card for active duty, reserve, or retired personnel.

Alternate forms of proof of identity will be considered by the GLO on a case-by-case basis.

The GLO will cross-check all application and eligibility documents to determine whether any document includes a name other than the one listed on the proof of identification provided. If alternate aliases occur, then the referenced household member must provide a signed Declaration of One and Same Person listing them.

iii. Proof of Legal Status

As outlined in the HUD Memorandum 25-03 (March 31, 2025) revisions to 90 Fed. Reg. 1754, applicants must provide proof of legal status to be eligible for assistance. Required documentation must be valid.

Applicants should submit documentation that confirms as many of the following that apply as possible:

- USCIS/Alien Registration number (A-Number);
- Form I-94, Arrival/Departure Record number;
- Student and Exchange Visitor Information System (SEVIS) ID number;
- Naturalization/Citizenship Certificate number;
- Card Number/I-797 Receipt number; and
- Social Security number.

The GLO will use this information to verify legal status with the Systematic Alien Verification for Entitlements (SAVE) system. If deemed necessary by SAVE, the GLO may require additional documentation to further verify legal status. More information about SAVE documentation requirements can be found at <https://www.uscis.gov/save/current-user-agencies/commonly-used-immigration-documents>.

iv. Previous Fraud

Applicants who have been federally prosecuted for the fraudulent use of disaster recovery funds will not be eligible for assistance. The GLO will use SAM.gov to confirm federal ineligibility status. More information about SAM.gov can be found at <https://sam.gov/>.

v. Proof of Disaster Tieback

Applicants must have damage that ties back to the 2024 disasters to be eligible for assistance. The GLO will take the following steps to determine tieback:

- The GLO will maintain a Duplication of Benefits (DOB) database that includes FEMA, SBA, National Flood Insurance Program (NFIP), and Texas Windstorm Insurance Association (TWIA) claims data. This database will be updated quarterly. The DOB database will be the primary source used to determine tieback. If the applicant received funds from FEMA, SBA, NFIP, or TWIA, then the GLO will use the distribution of these funds as proof of disaster tieback.
- If there is no claims data listed for the applicant's address in the DOB database, but the applicant provides a FEMA, SBA, NFIP, TWIA, or insurance claims number on their application, then the applicant can submit an award letter corresponding to the claim to substantiate disaster tieback.
- If there is no DOB database information or award letter available, or if the applicant's original claim was denied due to lack of disaster tieback, then the GLO will complete a tieback inspection of the home to confirm whether disaster-related damage is present. The GLO will complete the project's Disaster Tieback Inspection Checklist and include supporting photographs of storm tieback. GLO inspection staff must be certified and/or licensed (e.g. HQS certification, TREC license, or similar credentials).
- If the GLO determines that disaster tieback is inconclusive after the tieback inspection, then the applicant can submit additional documentation to support their tieback claim. This documentation can include dated photographs or videos of the disaster, neighborhood media reports that tie the disaster to the specific area where the home is located, and/or third-party reports from disaster recovery agencies not listed above. Documentation should show how the damaged address was directly impacted by the disaster. Broad county-wide declarations of disaster will not be considered. Supplemental documentation will be considered on a case-by-case basis.

vi. Proof of Primary Residence

Applicants must have maintained a primary residence at the damaged home during the time of the disaster to be eligible for assistance. Per HUD guidance, a "primary residence" refers to a dwelling where an owner maintains or will maintain their permanent place of abode, and which the owner typically occupies or will occupy for the majority of the calendar year. As outlined in 42 U.S.C. 5305(a)(4), properties that served as a secondary home at or

after the time of the disaster are not eligible for assistance. Vacation and rental properties are considered secondary homes.

Applicants can demonstrate primary residence through property tax homestead exemptions. If the GLO identifies that an applicant owns multiple properties in the state of Texas, then the GLO may ask for additional documentation to support primary residence at the home in question.

Applicants may also use alternate forms of documentation to prove primary residence, including utility bills (electric, phone, water, etc.) that were active at the time of the disaster and display consistent use, voter registration cards, credit card statements, bank account statements, tax returns, driver's licenses or state/government issued ID, homeowners insurance policy declarations pages, and rental agreements. Alternate forms of primary residence must be accompanied by a signed and notarized Affidavit of Primary Residence form.

vii. Proof of Ownership

Applicants must own the damaged property to be eligible for assistance and provide documentation evidencing ownership interest in the property. Primary forms of ownership documentation include:

- A valid Warranty Deed that has been recorded in the records of the county in which the home is located; or
- For MHUs:
 - A Statement of Ownership from the Texas Department of Housing & Community Affairs (TDHCA), file-stamped to show recordation in the records of the county in which the MHU and underlying lot are located; and
 - Proof that the MHU is considered real property fixed to the lot:
 - Wheels and axel must be removed; and
 - SOO must be filed with TDHCA.

Applicants may also provide one or more alternate forms of ownership documentation for GLO consideration on a case-by-case basis. Alternate ownership documentation must be accompanied by a signed and notarized Affidavit of Ownership form. Alternate forms of ownership documentation must show the applicant's ownership interest in the property at the damaged address. The GLO may request additional information (e.g., utility bills in the applicant's name at the damaged address that show consistent use) to support alternate forms of ownership. Alternate forms of ownership documentation include:

- A Last Will and Testament devising an ownership interest to the applicant, that has been filed in the records of the county in which the home is located;

- Documentation establishing a life estate property interest in the damaged home by the applicant (for HAP projects, parties holding remainder interests in the property must complete Affidavit of Additional Owner Consent forms);
- Trust instrument in which the damaged home is named as a trust asset and the applicant is a named beneficiary;
- A contract for deed;
- A 99-year lease;
- A Court Order granting to the applicant an ownership interest in the damaged home;
- An Affidavit of Heirship, signed, notarized, and recorded in the records of the county in which the property is located, naming the applicant as an heir to an ownership interest in the damaged home;
- A Deed of Trust or mortgage documentation for the damaged home; and
- Property tax records in the applicant's name for the damaged home from the most recent taxable year.

For HAP projects, if there is any owner of the damaged property that is not also named as an applicant on the application, then the owner must provide a signed and notarized Affidavit of Additional Owner Consent allowing the applicant(s) to participate in HAP and act as the owner's authorized representative(s) in relation to the property.

If primary or alternate forms of ownership documentation are not already established at the time of the disaster, then the GLO may consider documentation that an applicant submits during Eligibility Review, Project Setup, and Project Review processes. The GLO will not accept additional ownership documentation after the Project Review process is completed.

viii. Proof of Mortgage Payment and Lender Consent

An applicant who has an active mortgage on their damaged property must be up to date on their mortgage payments to be eligible for assistance. An applicants must provide a statement from their mortgage lender that clearly documents they are not more than 30 days delinquent in the payment of their mortgage. An applicants seeking rehabilitation or reconstruction of their home through HAP must also provide proof of lender consent through a signed Lender Consent to Applicant Home Repair form to be eligible for assistance.

ix. Proof of Income

The GLO will use at least 70 percent of funds designated for Housing Programs to serve LMI households. The remainder of the funds may be used to serve UN households. The GLO will determine an applicant household's Adjusted Gross Income (AGI) and use it to

identify the household's percentage of AMI using the most current HUD Home limits available at the time of Eligibility Review. HUD posts these income limits online at <https://www.huduser.gov/portal/datasets/il.html>.

To determine AGI, the GLO will require the following documentation from each household member over 18 years of age:

- One of the following:
 - A signed and filed tax return (IRS form 1040 or 1040-SR, as applicable) from the most recent taxable year;
 - Pay stubs covering the previous three full months and a signed Form 1408, Verification of Employment;
 - A signed statement from each current employer of the household member stating the household member's wage and frequency of payment and a signed Form 1408, Verification of Employment; or
 - A signed Declaration of Zero Income form.
- And all of the following, if applicable:
 - A signed Form 14.09, Verification of Income from Business, and supporting documentation;
 - A signed Form 14.10, Verification of Social Security Benefits, and supporting documentation;
 - A signed Form 14.11, Verification of Pension and Annuities, and supporting documentation;
 - A signed Form 14.16, Verification of Recurring Cash Contributions, and supporting documentation; and
 - Letters of benefits that verify the amount of each additional, regularly recurring monetary benefit received by the household member (disability, retirement, TANF, pension or annuity, etc.) that are not otherwise captured in the forms listed above, prepared by the sources of the benefits (e.g. disability insurer, Texas Health and Human Service Commission, retirement fund manager, trustee) no more than 90 days prior to the filing of the application.

After 60 percent of funds have been obligated, UN applicants may be placed on hold until the GLO meets LMI targets. UN applicants will be deemed ineligible once the GLO reaches the 30 percent UN funding target.

x. Proof of Flood Insurance for Applicants who had AMI >120 percent and Resided in the Floodplain at the Time of the Disaster

Applicants who resided in the floodplain and had an AGI totaling greater than 120 percent of AMI of at the time of the disaster event (see Table 6) must provide proof that they had in place at the time of the storm, and have maintained, an active flood insurance policy to be eligible for assistance.

Table 6. 2024 Disaster Incident Periods

Disaster	DR #	Disaster Incident Period
Texas Hurricane Beryl	DR-4798-TX	July 05, 2024 – July 09, 2024
Texas Severe Storms, Straight-line Winds, Tornadoes, and Flooding	DR-4781-TX	April 26, 2024 – June 05, 2024

The GLO will determine AGI and percentage of AMI using the procedure described at <https://www.glo.texas.gov/sites/default/files/resources/cdr/documents/grant-administration/grant-implementation/housing/housing-administration/flood-grant-administration/2h-adjusted-gross-income-hh.xlsx>. However, if the disaster incident period differs from the dates of service covered by the income documents used for eligibility verification, as described in V.B.1.b.ix., then the GLO will require additional disaster-specific income documentation from the applicant. This ensures that flood insurance requirements are applied based on the household income at the time of the disaster.

When appropriate and as requested by the GLO, each household member over 18 years of age must provide:

- One of the following:
 - A signed and filed tax return (IRS form 1040 or 1040-SR, as applicable) for the taxable year 2024;
 - Pay stubs covering the three full months immediately prior to the incident period of the corresponding disaster (e.g., May 2024 – July 2024 for Texas Hurricane Beryl) and a signed Form 1408, Verification of Employment;
 - A signed statement from each employer of the household member at the time of the corresponding disaster, stating the household member’s wage and frequency of payment as of the date of the disaster event, and a signed Form 1408, Verification of Employment; or
 - A signed Declaration of Zero Income form for the incident period of the disaster event.
- And all of the following covering the incident period of the disaster event, if applicable:

- A signed Form 14.09, Verification of Income from Business, and supporting documentation;
- A signed Form 14.10, Verification of Social Security Benefits, and supporting documentation;
- A signed Form 14.11, Verification of Pension and Annuities, and supporting documentation;
- A signed Form 14.16, Verification of Recurring Cash Contributions, and supporting documentation; and
- Letters of benefits that verify the amount of each additional, regularly recurring monetary benefit received by the household member (disability, retirement, TANF, pension or annuity, etc.) at the time of the disaster that are not otherwise captured in the forms listed above, prepared by the sources of the benefits (e.g. disability insurer, Texas Health and Human Service Commission, retirement fund manager, trustee) no more than 90 days prior to the filing of the application.

xi. Flood Insurance for Individuals Who Received Previous Disaster Assistance

Section 582(a) of the National Flood Insurance Reform Act of 1994, as amended (42 U.S.C. 5154a), requires the owner of any property where Federal flood disaster assistance was previously provided to immediately obtain and maintain flood insurance on that property. This requirement transfers from property owner to property owner. The GLO will use the GLO’s DOB database to determine the most recent Federal disaster assistance provided to the damaged address. Applicants must provide proof that either they or then current property owner(s) obtained flood insurance within 30 days after the assistance was issued and maintained that insurance until the date of application to a Housing Program. This documentation must be accompanied by a signed Declaration of Insurance. The GLO will not consider situations where the applicant or other property owner(s) had any lapse in a required flood insurance policy. The GLO will also not consider exceptions based on documented hardship. Applicants without continuous coverage will be deemed ineligible for assistance.

If applicants state that they did not have flood insurance at the time of the relevant 2024 disaster, then they must indicate this on a signed Declaration of Insurance. The GLO will not consider exceptions based on documented hardship in the year of the disaster.

xii. Proof of Property Tax Payment

Applicants must be up to date on their property taxes for the damaged property to be eligible for assistance. An applicant must provide a statement from the local Tax Assessor’s office that clearly documents they are not delinquent on any property taxes assessed on the property for which the applicant is requesting Housing Program assistance.

If an applicant is not current on their property tax obligations, then the applicant may submit any of the following alternate forms of documentation:

- A signed property tax payment plan with the local Tax Assessor’s office and a statement clearly documenting that the applicant is current on their obligations under the plan at the time of filing the application under a Housing Program; or
- Documentation of a tax deferral granted by the chief appraiser for the county appraisal district (CAD) in which the damaged property is located, as allowed under Texas Tax Code sections 33.06 or 33.065.

Additionally, if the household has gone through bankruptcy and the payment of property taxes was a requirement of the bankruptcy court’s order, then the applicant must provide all documentation associated with the bankruptcy and documentation of the property tax payments.

xiii. Proof of Child Support Payment

Pursuant to Texas Family Code §231.006, any individual who is more than 30 days delinquent in paying child support is not eligible to receive payments from a state office. Each household member over the age of 18 must submit a signed and notarized Affidavit of Child Support, attesting that the household member is either not required to pay child support or is required to pay child support and is no more than 30 days delinquent in their child support obligations. An application will not be approved for award if a qualifying household member refuses to submit an affidavit or is delinquent on child support obligations and cannot remedy the delinquency before final Project Review. A household member with child support obligations must provide a formal payment plan from the Office of the Texas Attorney General (OAG) that is signed by all applicable parties and proof that child support payments are up to date at the time of Eligibility Review.

c. Site Eligibility Requirements

i. Unit Location

The housing unit must be located in a HUD MID area (see Table 2) to be eligible for assistance. Units that map outside of the HUD MID areas will automatically be deemed ineligible for assistance.

ii. Unit Types

The GLO will only serve single family units under its Single Family Housing Programs. The GLO will reference the CAD record for the property to determine the unit types and number of units present. Properties with multiple housing units and properties with single family units that share a common wall (e.g., duplexes, townhomes, semi-detached homes, homes with attached commercial units, and homes with attached rental units) will automatically be deemed ineligible for assistance. The GLO will allow multiple MHUs on

a property if all other MHUs have different owners (not the applicant(s)) and are not located within the construction zone of the damaged home.

MHUs will only be eligible for reconstruction or reimbursement, not rehabilitation. Reconstructed MHUs will be replaced with stick-built homes.

iii. Unmet Needs

Only applicants with an unmet need related to the 2024 disasters will be eligible for assistance. The GLO will determine unmet need using the GLO's DOB database, other disaster recovery claims data provided by the applicant, the Statement of Repairs and supporting documentation supplied by the applicant(s), the GLO Estimated Cost of Repairs (ECR) supplied by the GLO, and/or the GLO Damage Repair Valuation (DRV) supplied by the GLO. The GLO will complete a DOB analysis using the GLO's DOB Calculation Workbook.

Applicants seeking rehabilitation or reconstruction who have less than \$8,000 in damage to their home will not be eligible for assistance. Applicants seeking rehabilitation or reconstruction with a positive DOB amount who choose not to take a reduction in their approved Scope of Work (e.g., reduction in number of bedrooms, square footage, replacement of nonessential components like tile floors for laminate floors, etc.) and cannot provide proof of funds to cover the cost of that DOB will not be eligible for assistance. Applicants seeking reimbursement with a positive DOB amount will not be eligible for assistance.

- **Statement of Repairs**

Applicants must provide a signed Statement of Repairs at the time of application that lists all disaster-related repairs they completed since the disaster occurred, the cost of the repairs, and whether or not the repairs can be substantiated with a receipt. The GLO will not consider repairs made after the date of the signed Statement. Applicant(s) must complete a Declaration Concerning Independent Repairs confirming that they understand they cannot make additional repairs to their home. Applicants must also provide receipts to support their purchases. If a home is damaged by a subsequent Presidentially-declared natural disaster and the applicant lost their receipts due to the damage the disaster caused, then the GLO will accept a Statement of Repairs without receipts.

- **Estimated Cost of Repairs (ECR)**

For applicants seeking rehabilitation or reconstruction under HAP, the GLO will visit the damaged home to complete a damage inspection. Applicant(s) must sign a Right of Entry Release Form allowing GLO inspection staff to enter their property. GLO inspection staff must be certified and/or licensed (HQS certification, TREC license, or similar credentials). GLO staff will take photographs of the high-water mark on the

home and all disaster-related damage. They will create an ECR using standard pricing set by the GLO and Xactimate software. The ECR will list all damaged features of the home and their associated estimated values. Damaged features will include those that were not damaged by the 2024 Disasters, but still require repair to meet local code and Texas Real Estate Commission (TREC) requirements. The ECR will total the amount of estimated damage left to repair.

- **Damage Repair Valuation (DRV)**

For applicants seeking rehabilitation, reconstruction, or reimbursement, the GLO will visit the damaged home to complete a damage repair inspection. GLO inspection staff must be certified and/or licensed (HQS certification, TREC license, or similar credentials). GLO staff will take photographs of all repairs listed on the Statement of Repairs. They will create a DRV using standard pricing set by the GLO and Xactimate software. The DRV will list all repaired features of the home and their associated estimated values. It will total the amount of damage that has already been repaired.

- **Duplication of Benefits Analysis**

Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5115) prohibits individuals from receiving additional federal assistance for damaged property when they have already received federal assistance for the property. A household's DOB amount (also referred to as GAP amount when related to rehabilitation or reconstruction projects) is the difference between the amount of disaster assistance the household already received for the purpose of home repair and the amount the household spent to complete home repairs. The GLO will record all assistance received and funds expended on the GLO's DOB Calculation Workbook to determine a household's DOB amount. The GLO will only include awards made for the same use (i.e.: home repair). The GLO will not include awards designated for a different use (e.g., temporary housing, home contents, repair of ineligible features).

The GLO will use the GLO's DOB database to list all FEMA, SBA, NFIP, and TWIA award data for the household related to the 2024 Disasters. If a household declined or cancelled an award that is listed in the DOB database, then the household must provide formal documentation from the awarding agency that confirms the award was declined or cancelled and the applicant(s) must sign a Declaration of Award Cancellation that confirms they will not reinstate the award.

Applicants will be responsible for submitting an award letter and Scope of Work for each insurance, non-profit, and/or charity award the applicant received that is not included in the GLO's DOB database. Applicants will be asked to list these awards on their application and must submit a signed Declaration of Insurance form that states they reported all insurance claims to the GLO. Awards that are applied to a forced mortgage payout will not be added to the household's DOB amount.

The GLO will use the Statement of Repairs and corresponding receipts, the ECR, and/or the DRV to list all eligible verifiable repairs made to the home. The GLO will credit the household using standard pricing unless the household provides a receipt. When a receipt is present, the GLO will use the receipted price if it is cost reasonable. However, the GLO will revert to the standard price if the receipted price is not cost reasonable (e.g., high grade/luxury materials such as marble or granite). The GLO will also credit receipted repairs that were re-damaged because the original repairs were temporary in nature or because contractor fraud, vandalism, theft, or a subsequent disaster took place. The GLO will not credit the household for expenses that are unrelated to home repair (e.g., temporary housing, home contents, repair of ineligible features).

For reimbursement only, the GLO will use specific ineligible expenses, referred to as allowable expenses, to reduce an applicant's DOB amount. See section V.B.3.c for a list of all allowable expenses. Repayment of SBA loan debt is not considered an allowable expense.

Once the calculation is complete, if the total previously awarded is greater than or equal to the total expenditures, then the household has a positive DOB amount and will not be eligible for assistance unless it is resolved. If the total previously awarded is less than the total expenditures, then the household has an unmet need and may receive assistance through a Housing Program.

iv. Floodway Restrictions

The GLO must follow the Federal Flood Risk Management Standard (FFRMS) Final Rule at 24 CFR part 55 to determine a home's flood risk. The GLO will use FEMA's Flood Insurance Rate Map (FIRM) 500-year (also referred to as 0.2-percent-annual-chance) data, when available. FIRM 500-year data accounts for horizontal and vertical extent. If an effective FIRM, a pending FIRM, and a Preliminary FIRM (PFIRM) are all available, then the GLO will use the map depicting the greatest flood risk for the property. If a 500-year FIRM or PFIRM is not available, then the GLO will use the freeboard value approach (FVA) to determine flood risk. FVA is calculated by adding two feet (vertical extent) to the Base Flood Elevation (BFE) (horizontal extent) of the site.

The GLO may consider an applicant property for rehabilitation, reconstruction, or reimbursement services if part of the property is located in a floodway, but the footprint of the home is not; however, if an applicant's damaged home is located in a floodway, it may be eligible for reconstruction if the property is large enough to move the home's footprint outside of the floodway. Such determinations will be made on a case-by-case basis. Homes that are located in floodways will not be eligible for rehabilitation or reimbursement.

v. Elevation Requirements

The GLO must follow the Federal Flood Risk Management Standard (FFRMS) Final Rule at 24 CFR part 55 to determine a home's flood risk. The GLO's procedures for determining flood risk is outlined in section V.B.1.c.iv.

The FFRMS floodplain includes Zones A, AE, B, and Shaded X. Zones V, VE, and the inland limit of Coastal A where waves can reach heights between 1.5 and 3 feet during a base flood event (also known as Limit of Moderate Wave Action, or LiMWA) are also considered part of the FFRMS floodplain but have a special coastal high hazard distinction.

Homes located in the FFRMS floodplain with a substantial improvement (SI) value greater than 50 percent must be reconstructed and elevated. The GLO will calculate a home's SI using the following information:

- The last appraised CAD value of the home before the disaster occurred; and
- The DRV determined during the GLO's inspection (see section V.B.1.c.iii.).

The DRV will be divided by the CAD value and multiplied by 100 to obtain percent SI. The GLO will not replace the property's CAD value, DRV, or ECR with any other information supplied by the applicant(s) or the local jurisdiction.

Homes that are located in the FFRMS floodplain and have a substantial damage (SD) value greater than 50 percent must be reconstructed and elevated. The GLO will calculate a property's SD value using the following information:

- The last appraised CAD value of the home before the disaster occurred; and
- The ECR determined during the GLO's inspection (see section V.B.1.c.iii.).

The ECR will be divided by the CAD value and multiplied by 100 to obtain percent SD. The GLO will not replace the property's CAD value, DRV, or ECR with any other information supplied by the applicant(s) or the local jurisdiction.

Furthermore, if a home is located in the FFRMS floodplain and the GLO determined during inspection that the home has an ECR (see section V.B.1.c.iii) greater than the rehabilitation cap (see Table 4), then the home must be reconstructed and elevated.

The GLO will not elevate homes for which the applicant applied for rehabilitation services because the cost to elevate would exceed the rehabilitation cap. However, if a damaged home under application for rehabilitation services is located in the floodplain and has a FEMA Information Data and Analysis (FIDA) high water mark (HWM) from the past 5 years that indicates flood waters entered the home, then the GLO will offer to convert the project type from rehabilitation to reconstruction and elevate the reconstructed home.

The FFRMS Final Rule requires the GLO to elevate to the 500-year floodplain (if FIRM is used), two feet above BFE (if FVA is used), or the one-percent-annual-chance floodplain if a special coastal high hazard distinction applies. The GLO will only elevate over two feet above BFE if required by state, local, and/or tribal codes. The GLO must document the final elevation of each home that it elevates with an Elevation Certificate. This document can be obtained after construction is completed.

vi. Site-Specific Environmental Review

The GLO will complete a Site-Specific Environmental Review on each home prior to any commitment of funds. This review will document compliance with 24 CFR parts 55 and 58 and all related laws and authorities by addressing all potential issues identified during the Broad Review, as described in V.A.5. Properties with adverse environmental conditions will not be eligible for assistance unless the adverse environmental conditions are corrected. Applicant(s) must sign a Right of Entry Release Form allowing environmental inspection staff to enter their property.

vii. Historic Preservation Review

The GLO is responsible for determining whether a damaged home is subject to historic preservation review under Section 106 of the National Historic Preservation Act of 1966 (54 U.S.C. Section 306108). The GLO defines historic homes as properties over 45 years old that are either individually listed or eligible for listing on the National Register of Historic Places or are located within historic or archaeological districts. The GLO will collaborate with the Texas Historic Commission (THC) and local historic preservation organizations to complete the historic preservation review for a qualifying property. The GLO retains a qualified historic preservation professional to assist with this collaboration.

The rehabilitation cap for historic homes is \$175,000 (see Table 4). The GLO will reconstruct historic homes only if permitted by the THC and local historic preservation office or landmark commission.

viii. Lead-Based Paint, Asbestos, and Mold

Requirements for addressing lead-based paint hazards outlined in HUD's Lead Safe Housing Rule and 24 CFR part 35, Subparts A, B, J, K, and R must be met in the damaged home for it to be eligible for assistance. The GLO will require a lead clearance report for all rehabilitation and reimbursement projects. For reimbursement projects, this clearance report should be funded by and provided by the applicant.

The GLO must also ensure that asbestos has been properly abated in the damaged home and the National Emission Standards for asbestos demolition and renovation (40 CFR part 61.145) and waste disposal for manufacturing, fabricating, demolition, and spraying operations (40 CFR part 61.150) were met during the abatement process. Contamination hazards must be analyzed using current techniques by qualified professionals. Homes that have not been properly abated will not be eligible for assistance.

Additionally, the GLO must confirm that all mold that can be tied to the 2024 Disasters has been mitigated. Homes with remaining mold that can be tied to the 2024 Disasters will not be eligible for assistance.

ix. Radon

Radon requirements outlined in HUD Notice CPD-23-103 and 24 CFR 58.5(i) must be met for a damaged property to be eligible for assistance. The GLO will test all homes that are identified as “at risk” during a desk review of Center for Disease Control (CDC) and National Environmental Public Health Tracking Network maps and data. If a home is located in a county that has at least ten documented test results below acceptable radon levels (4pCi/L) over the past ten years, then the GLO will not require radon testing. The GLO will also not test for radon if the proposed project does not include an enclosed building with ground contact (i.e. a home on piers with no enclosed crawlspace or garage), is a building that already has an existing radon mitigation system, or is a building that tested below acceptable radon levels within the past five years.

In instances where the GLO requires radon testing, a do-it-yourself radon test will be completed by the environmental inspector. If the test is above acceptable radon levels, then mitigation measures must take place. For rehabilitation and reconstruction projects, the GLO must employ radon resistant construction techniques and/or install a radon mitigation system. If radon mitigation exceeds the program cap of \$5,000, then the applicant will not be eligible for assistance. The GLO will require a post-installation radon clearance report completed by a licensed radon professional for all rehabilitation and reimbursement projects. For reimbursement projects, this clearance report must be funded by and provided by the applicant.

d. Affordability Period

The GLO will require each HAP and HRP participant to sign an Unsecured Forgivable Promissory Note (‘Note’) outlining the following obligations the participant must meet for the duration of the applicable Housing Program Affordability Period:

- Maintain ownership interest in the assisted property;
- Maintain primary residence at the assisted property;
- Maintain a zero balance or formal proof of payment plan on property taxes for the assisted property;
- Maintain homeowners insurance covering at minimum the full replacement value of the assisted property; and
- Maintain flood insurance covering at a minimum the full replacement cost value of the assisted property (only if property is located in the floodplain).

Details regarding the specific Affordability Periods for HAP and HRP are outlined in sections V.B.2.e and V.B.3.e.

Participants will also be held to the terms outlined in the Subrogation Agreement signed at the pre-construction conference (see section V.B.2.a.iii). Participants must report any additional funds received for disaster recovery after program approval that may result in a DOB. If additional funding is received, then the GLO may recapture expended funds or adjust the project scope and budget.

Additionally, if a participant located in the floodplain sells the home after the Affordability Period ends, then they must inform the buyer in writing of the requirement to maintain flood insurance coverage on the property. This obligation remains in effect indefinitely and transfers from homeowner to homeowner (42 U.S.C. 5154a). If the new homeowner fails to obtain and maintain insurance, then the property will not be eligible for future federal disaster assistance.

2. Homeowner Assistance Program (HAP)

a. HAP Specific Case Management Requirements

i. Midpoint Eligibility Verification

After applicant eligibility requirements are met, but before site eligibility requirements are checked, the Case Manager will hold a Midpoint Eligibility Verification meeting with the applicant to verify information that may impact the project type and the household's additional needs.

The following will take place during the Midpoint Eligibility Verification process:

- The Case Manager will verify whether the applicant is willing to accept both rehabilitation and reconstruction as possible outcomes for a project type. The Case Manager will use eligibility documents to explain which project type is most likely to be awarded. The Case Manager will also explain what may happen during site eligibility review to impact the project type. The Case Manager will make sure that the applicant is comfortable with the likely project type before moving forward with site eligibility review and the associated expenditure of funds.
- The Case Manager will verify if the applicant is interested in optional elevation if they qualify during site eligibility review. The Case Manager will explain that choosing optional elevation will result in the project type of reconstruction.
- The Case Manager will verify the household composition. The Case Manager will explain that changes to the household composition may be considered on a case-by-case basis but will no longer be considered after completion of the Project Review process.
- The Case Manager will verify whether the household has any accommodation needs that were not reported with the application. If an additional accommodation need is

identified, then the Case Manager will provide the applicant with a Form 14.27, Verification of Disability, and set a deadline for its completion. The Case Manager will explain that the project's timeline and/or an analysis of the project's cost reasonableness may result in the denial of an accommodation request if the need for accommodation is further developed after permits are approved and construction starts.

- The Case Manager will verify whether the household will be in need of Temporary Relocation Assistance (TRA) during construction if they qualify. TRA is described in V.B.2.a.ii.

The applicant(s) and the Case Manager will sign the Midpoint Eligibility Verification form at the time of the meeting to confirm the information above was discussed.

ii. Temporary Relocation Assistance (TRA)

After applicant eligibility requirements and site eligibility requirements are met, the GLO will determine whether households who identified a need for TRA during their Midpoint Eligibility Verification are eligible. TRA provided to an applicant may cover expenses for lodging, moving, and storage off of the damaged property during the construction activities. To be eligible for TRA, a household must be LMI or have an AGI less than 80 percent of AMI. Applicants are responsible for submitting three bids per type of need for the GLO's cost reasonableness review. Bids must be for facilities or services located within a reasonable distance from the damaged property. The GLO will choose the most feasible cost reasonable bid for each type of need. The GLO will pay TRA costs directly to the selected service providers. The GLO will not pay the applicant directly for TRA benefits.

The TRA cap per household is \$7,000 over the 120-day construction period (see Table 4). Applicants are responsible for covering all TRA costs over the \$7,000 cap out of pocket.

If construction exceeds 120 days, then the assigned builder will be responsible for covering an additional \$2,000 in TRA. Applicants are responsible for covering TRA costs over the additional \$2,000 out of pocket.

iii. Pre-Construction Conference

Once site and demolition plans are completed and all necessary permits are obtained by the assigned builder, the GLO will hold an in-person pre-construction conference. GLO staff, staff from the assigned builder, and the applicant must be present at this pre-construction conference.

All parties will review and sign the Form 11.17, Scope of Work Write-Up, the demolition plan, the floorplan, the site plan, and construction procedural documents including the Homeowner – Contractor Construction Agreement, the Unsecured Forgivable Promissory Note, and the Subrogation Agreement. The applicant(s) will be allowed to ask clarifying questions regarding the construction process. The applicant(s) will also be provided with a Homeowner Selection Sheet to make certain cosmetic and fixture selections for the home.

If an applicant or household member identifies an accommodation need during the Midpoint Eligibility Verification process that was not identified at the time of application, then the applicant or household member (or representative) will be asked to complete a Form 14.27, Verification of Disability, that allows applicants to request ADA accommodation options like vinyl floors, ADA bathroom and/or kitchen features, and lifts. The Case Manager will explain that the project's timeline and/or cost reasonableness factors for the project may result in the denial of an accommodation request if the need for accommodation is further developed after permits are approved and construction starts.

The applicant(s) must acknowledge that they must remove all debris, abandoned vehicles, and buildings that pose a safety and/or health threat before construction starts. If the damaged home is located in the FFRMS floodplain, then the applicant(s) will also acknowledge that they were notified of their property's FFRMS floodplain status, that flood insurance is required, that elevation is required, of the location of ingress and egress or evacuation routes, of previous flood insurance claims on the property available from FEMA, and emergency notification resources. Applicant(s) will also be asked to describe any flood-related infrastructure impacting the site (dams, levees, etc.).

The applicant(s), a representative for the assigned builder, and the Case Manager will sign the Pre-Construction Verification form at the time of the meeting to confirm the information above was discussed.

iv. Insurance

The GLO will provide one year of homeowners insurance to all applicants with an AGI of less than 80 percent AMI. The insurance policy will start on the day of the post-construction conference. The GLO will also provide applicants with an AGI of less than 80 percent AMI other site-specific insurance policies (flood, windstorm, etc.), as required.

v. Post-Construction Conference

Once the final/100% inspection, local code inspection, and TREC inspection are complete and all deficiencies are addressed (may take up to 30 days), the GLO will hold an in-person post-construction conference at the completed home. GLO staff, staff from the assigned builder, and the homeowner must be present at this post-construction conference. All parties will complete a walk-through of the home and discuss any concerns. Unless concerns are major (not cosmetic in nature), these concerns will be addressed during the one-year warranty period.

All parties will sign the builder's one-year materials and workmanship warranty and ten-year structural warranty, which include direct contact information and instructions for how to file a warranty claim. The builder will obtain the homeowner's signature on any insurance policies (flood, wind, etc.) that were included in the approved Form 11.17, Scope of Work Write-Up. The builder will also provide the homeowner with all manufacturer's warranty information and instruction booklets for installed equipment and the keys to the home.

The applicant(s), a representative for the assigned builder, and the Case Manager will sign the Post-Construction Verification form at the time of the meeting to confirm the information above was discussed.

If the homeowner refuses to sign the warranty and insurance documents and accept the keys to the home, then the GLO will accept the work on behalf of the homeowner and place their keys in a lockbox on the property with an access code provided in writing to the homeowner. For audit purposes, the GLO will place a note in the project file that explains the steps taken to address the homeowner's concerns and the reason why the lockbox was used.

vi. Warranties

The assigned builder will guarantee all work outlined in the project's approved Form 11.17, Scope of Work Write-up, for a period of one year after the post-construction conference. The assigned builder will also guarantee the structure of any reconstructed home (e.g., foundation, joists, beams) for a period of ten years after the post-construction conference. The homeowner will receive the assigned builder's direct contact information during the post-construction conference. The homeowner should use this contact information to file all warranty claims. If the assigned builder fails to respond to the warranty claim in a reasonable amount of time (approximately two weeks, but sometimes longer depending on the scope of the claim), then the homeowner may contact the GLO directly using the procedures described in V.A.6 to file a complaint and seek resolution.

The GLO will issue expiration reminders to the homeowner via email and Certified Mail one month prior to the one-year and ten-year warranty expiration dates.

b. Project Type Distinction

i. Construction Type

Applicants seeking home repair who meet the applicant eligibility criteria and site eligibility criteria outlined in sections V.B.1.b and V.B.1.c will be awarded a project type of either rehabilitation or reconstruction. The GLO will award a project type based upon the ECR outlined in section V.B.1.c.iii and housing assistance caps in Table 4. Non-historic homes with an ECR below \$90,000 and historic homes with an ECR below \$175,000 will be assigned the project type of rehabilitation unless there is a site-specific reason that requires reconstruction (see section V.B.1.c). Non-historic homes with an ECR above \$90,000 and non-historic homes with an ECR above \$175,000 will be assigned the project type of reconstruction. All eligible MHUs will be assigned a project type of reconstruction.

ii. Unit Size, Floorplan, and Scope of Work

The GLO will determine the size of the unit using HUD HOME standards. These standards are based on household occupancy (also referred to as household composition) and require two persons per bedroom, where reasonable. The GLO will use household occupancy at the time of application to determine unit size. The GLO will consider modifying unit size to reflect changes to household occupancy that occur after application on a case-by-case basis. However, changes to household occupancy made after the Project Review process is completed will not be considered because it is not cost reasonable to change the plans to the home after the process to obtain a permit begins.

The GLO will also adhere to the following exceptions to HUD Home standards:

- No more than two persons will be required to share a bedroom.
- Persons of different generations (i.e., grandparents, parents, children), persons of the opposite sex (other than spouses/couples), and unrelated individuals over the age of 18 will not be required to share a bedroom.
- Couples living as spouses (whether or not legally married) must share a bedroom.
- If there is a documented need, a live-in aide may be considered a part of the household. Live-in aides will not be required to share a bedroom with another member of the household.
- If a member of the household has a documented medical need (e.g., chronic illness) that requires an additional bedroom, then that bedroom will be provided.
- Family members who will not reside in the home more than fifty percent of the time will not be provided a bedroom. This includes children who are temporarily absent from the home due to a shared custody agreement and children over the age of 18 who are away at school but live with the family during school recess.
- All children expected to reside in the home in the year following the completion of construction activities should be considered members of the household. This includes expected children of pregnant household members, children who are expected to be adopted by a household member, children who are expected to be placed in the custody of a household member, foster children who are currently placed in the home and are expected to reside in the home for a reasonable period of time, and children who are currently in foster care but are expected to return to the household. All of these circumstances must be documented in a formal way.

The GLO will consider additional exceptions to unit size that are not listed above on a case-by-case basis via the appeals process outlined in V.A.6.

The GLO will provide the applicant with a choice between standard floorplans for their unit size, when possible. In some cases, the GLO will not be able to provide a choice of floorplan (e.g., small lot size, setback requirements, footprint overlap requirements, plans that are five bedrooms and larger, other custom plans, etc.). The square footage of GLO

floorplans is based upon the livable area and does not include covered porches, garages, etc. The square footage listed on the applicant’s site plan may include covered porches, garages, etc.

The GLO uses the composite per-square-foot pricing established during the builder procurement process to value these floorplans.

The GLO will use the standard floorplan costs and add all site-specific, elevation, demolition, local code, accessibility, abatement, mitigation, and relocation costs to create the project budget, included on Form 11.17, Scope of Work Write-Up, for the project.

Table 7. Single Family Housing Floor Plans

Floor Plans by Bedroom Count (square footage reflects livable area)							
2 Bedroom 1,000 – 1,330 SF		3 Bedroom 1,331 – 1,425 SF		4 Bedroom 1,426 – 1,500 SF		5 Bedroom 1,501 – 1,650 SF	
Weston	1,064 SF	Magnolia	1,354 SF	Roslin	1,456 SF	Presidential	1,618 SF
Raleigh	1,064 SF	Mimosa	1,352 SF	Bonsai	1,457 SF		
Hibiscus	1,167 SF	Sunflower	1,356 SF				
Kincaid	1,204 SF						
Augustine	1,231 SF						
Willow	1,237 SF						
Custom Floor Plan: Case by Case							

c. Construction Standards

i. Eligible Expenses

- Improvements to meet HUD Housing Quality Standards and Cost-Effective Energy Measures (Title 24, Section 570.20).
- Repairs to permanent structures that are physically attached to the house (e.g., sheds or garages).
- Lead-based paint abatement, asbestos abatement, mold remediation, accessibility for families with disabilities or special needs, energy efficiency, ventilation items such as ceiling fans and window screens, and resiliency measures such as gutters.
- Repairs or addition of necessary appliances such as ranges, refrigerators, dishwashers, and hot water heaters, (when not present or repair is not cost effective).

- Inspection of all and replacement of any unsafe electrical components (service meter, wiring, fixtures, etc.), even if no electrical work is being specified. All exposed wiring, switches, and light bulbs in living areas must be encased.
- Smoke detectors installed in conformance with code.
- Items required by local code or homeowner associations/civic clubs (e.g., garages, fencing, brick or masonry, etc.) that do not exceed the Housing Program expense cap (see Table 4).
- Required permits, if any, will be obtained by the contractor or builder at his/her expense and will be included as part of the composite price.
- Waivers accepted on case-by-case basis.

ii. Ineligible Expenses

- Luxury items, including, but not limited to, garage door openers, security systems, sprinkler systems, swimming pools, fences, and television satellite dishes.
- Electricity will not be connected to other structures (detached garages, outbuildings, etc.) on the property.
- Well houses will not be replaced or added.
- Garages, fences, and brick or masonry (unless required by local code and/or homeowners associations/civic clubs) are not eligible improvements.
- Overdue utility fees that the applicant had before construction began.
- Regular use utility fees that occur before utility disconnect and after utility reconnect.

iii. Building Codes

Housing that is reconstructed or rehabilitated with CDBG-DR funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

All housing units participating in HAP will be required to meet HQS detailed in 24 CFR 982.401, Fair Housing Accessibility Standards, and Section 504 of the Rehabilitation Act of 1973 requirements. Housing activities must also meet all local building codes and standards that may apply. All single-family homes should also incorporate resiliency solutions which may include elevating the first floor of the habitable area, breakaway ground floor walls, reinforced roofs, storm shutters, energy efficient appliances and fixtures, and mold and mildew resistant products (rehabilitation projects only).

The International Residential Code 2012 or higher (IRC) (with windstorm provisions) and the International Building Code (IBC) must be met where they apply. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a CDBG-DR assisted property, an inspection must be performed by a qualified person. All rehabilitation and reconstruction projects should be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters. Whenever feasible, the state should follow best practices, such as Professional Certifications and Standard Work Specifications provided in the U.S. Department of Energy's Guidelines for Home Energy Professionals.

iv. Green Building Standards

HUD requires that all reconstruction and substantially rehabilitated projects meet an industry-recognized standard or rating system that has achieved certification under one of the following:

- ENERGY STAR (Certified Homes);
- Enterprise Green Communities;
- LEED (New Construction, Homes);
- ICC-700 National Green Building Standard (NGBS); or
- Any other equivalent comprehensive green building standard acceptable to HUD.

The GLO must identify which Green and Resilient Building Standard will be used in HAP's policies and procedures for replacement and reconstruction of residential housing.

A certificate of compliance issued as part of the chosen standard's compliance process will be required to be submitted as proof of compliance for each completed project. Homes in high wind and hurricane areas must also be built in compliance with Texas Department of Insurance (TDI) standards or any other equivalent comprehensive resilient or disaster resistant building program. These standards also apply to rehabilitation projects that fall within the HUD definition of substantial rehabilitation.

- **For Rehabilitation Projects Only**

The GLO must follow the HUD CPD Green Building Retrofit Checklist available at <https://www.hudexchange.info/resource/3684/guidance-on-the-cpd-green-building-checklist/>. The GLO must apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall. ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP) designated products and appliances are required when older or obsolete products are replaced.

v. Visitability Standards

The GLO's Visitability Standards must be met for the first floor of a housing unit only, even if multiple floors exist. The following features will be required for all single-family homes:

- At least one 36-inch-wide entrance door (preferably the main entrance) on an accessible route served by a ramp or no-step entrance;
- Each interior door must be at least a standard 32-inch-wide door, unless the door provides access only to a closet of less than 15 square feet;
- Each hallway must have a width of at least 36 inches and be level with ramped or beveled changes at each door threshold;
- Each bathroom wall must be reinforced for potential installation of grab bars;
- Each electrical panel, light switch, or thermostat must not be higher than 48 inches above the floor;
- Each electrical plug or other receptacle must be at least 15 inches above the floor; and
- If the applicable building codes do not prescribe another location for the breaker boxes, each breaker box must be located not higher than 48 inches above the floor inside the building.

vi. Accessibility

Single family housing units must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the GLO's Visitability Standards.

Applicants will discuss any ADA requirements at the Pre-Construction Conference referenced above. Accommodations will be discussed and agreed upon during the Pre-Construction Conference (see section V.B.2.a.iii).

d. Inspection Requirements

Each project will require inspections during the lifecycle of the project (see Table 8). The required inspections are dependent on the activity type (reconstruction or rehabilitation). The program will only pay for one inspection per activity per phase.

Table 8. Inspection Requirements

Single Family Housing Inspection Requirements				
Application Type	Progress/50% Inspection	Final/100% Inspection	TREC Inspection	Monitoring Inspection*
Reconstruction	Yes	Yes	Yes	Yes
Rehabilitation	No	Yes	Yes	Yes

*Monitoring inspections will be performed by GLO on approximately 5% of HAP projects, selected at random.

i. Progress/50% Inspection

The progress/50% inspections are only conducted for reconstruction projects, not for rehabilitation projects. The progress/50% inspection performed by the GLO serves three primary purposes: (1) to evaluate the contractor's progress on the project; (2) to confirm that local building codes and standards have been satisfactorily met; and (3) to confirm that all requirements of the project scope scheduled for completion on or before the date of the inspection have been met to the satisfaction of all parties. During a progress/50% inspection, the GLO will confirm the following:

- The home is in a “dried in” state, which means that all windows, doors, roof, and siding are in place, thus preventing rain penetration into the interior of the house.
- The rough-in plumbing is complete.
- The electrical rough in is completed, including (but not limited to) the placement of receptacle boxes, switch boxes, and the circuit breaker box.
- The HVAC mechanical system is in place, including the units themselves, the ductwork, and all drain lines.
- The inspection is taking place prior to insulation being installed.
- The GLO progress/50% Checklist is used to complete the inspection.

ii. Final/100% Inspections

When work on a project is nearing completion, the contractor will notify the GLO of a specific date when the project will be ready for a final/100% inspection. The purpose of the final/100% inspection is to guarantee that all work described in the approved Form 11.17, Scope of Work Write-Up, and the Homeowner-Contractor Construction Agreement has been completed according to specification.

A punch list will be developed as a result of the final/100% inspection. This list will detail all remaining tasks and corrections needed to complete the project. The list will not add work that had not already been identified in the project scope. Once the punch list has been prepared, no other work items are expected of the contractor. Within 30 days of a

completed TREC Inspection, any outstanding punch list items must be corrected, and documentation of the corrections must be submitted to the GLO.

During a final/100% inspection, the GLO will confirm:

- All construction is complete.
- The project site is free of debris or construction materials.
- The home's interior has been cleaned.
- The inspection is completed before key hand off to the homeowner.
- The GLO Final/100% Checklist is used to complete the inspection.

The GLO, builder, and the homeowner will sign off on the final/100% inspection when signing the Post-Construction Verification. Every attempt will be made to satisfy the homeowner's concerns at final/100% inspection. If the homeowner objects and refuses to sign off on the final/100% inspection, the GLO will move forward with closing and place a note in the file for audit purposes.

After documentation has been submitted to the GLO evidencing that the home has passed the final/100% inspection, all punch list items have been satisfactorily completed, and all warranties have been issued, the project can be brought to final resolution. For purposes of accountability, HAP administrators must have written documentation that the assisted homeowner and the GLO have accepted the work (the final/100% inspection requires signatures from the homeowner, contractor, and the GLO). A Certificate of Occupancy (if applicable) must be retained in the file.

iii. Texas Real Estate Commission (TREC) Inspections

All construction projects (reconstruction and rehabilitation) must complete a TREC inspection after work is complete and the final/100% inspection has been passed.

The GLO can waive certain items found by the TREC Inspection that are not related to health and safety concerns (e.g. historic, cosmetic).

iv. Monitoring Inspections

To ensure the compliance of GLO vendors and builders, GLO staff will conduct monitoring inspections for a random sample of approximately five percent (5%) of vendor construction projects completed each quarter. These monitoring inspections will take place at the same time vendor staff is completing progress/50% inspections and final/100% inspections.

e. Affordability Period

The GLO will require a three-year Affordability Period for all HAP participants. Each participant must sign the Unsecured Forgivable Promissory Note ('Note') at the pre-

construction conference (see section V.B.2.a.iii), that outlines the participant's obligations during the Affordability Period.

3. Homeowner Reimbursement Program (HRP)

a. HRP-Specific Case Management Requirements

i. Lead-Based Paint, Asbestos, and/or Mold Notification

The Case Manager will notify an applicant within 10 business days if lead-based paint, asbestos, and/or mold are identified in the damaged home during the environmental site inspection. The applicant will be given 30 days to abate and/or remediate the environmental issue, at the applicant's expense, and provide the GLO with a clearance report. Lead-based paint, asbestos, and mold issues that are not cleared will result in ineligibility of the home under HRP.

ii. Applicant Award Notification

After applicant eligibility requirements and site eligibility requirements are met, the GLO will issue an award notification letter that includes the amount of the eligible reimbursement.

iii. Applicant Signing Event

The GLO will hold an in-person applicant signing event after the award notification is issued. GLO staff and the applicant must physically attend this signing event. All parties will review and sign an Unsecured Forgivable Promissory Note. The applicant will be allowed to ask clarifying questions regarding the award and the affordability period. The reimbursement will be issued via electronic disbursement or paper check between 120 – 180 days after the signing event.

iv. Uncashed Check Notification

An applicant will be required to cash their reimbursement check within 90 days of receipt. If the applicant does not cash the check within 30 days, then the Case Manager will issue a written notification via email and Certified Mail. If the applicant does not respond, then the Case Manager will attempt to contact the applicant at least 3 times via phone. If the applicant becomes unresponsive and does not cash the check by the 90th day, then the GLO will cancel the reimbursement check and the award will be considered forfeited by the applicant. The Case Manager will complete an Uncashed Check Notification form for each project with a delayed deposit date.

b. HRP Specific Eligibility Requirements

i. Income Requirements

HRP will only serve LMI applicants (0 – 80% of AMI) for the first 60 days of the program. The GLO will determine AGI and AMI using the procedure outlined in section V.B.1.b.vii.

All applicants whose AGIs fall between 81% – 199% of AMI will receive submitted by dates for their applications and be placed immediately in the status ‘Funding Not Currently Available’ without further application processing. On the 61st day of the program, these waitlisted applicants will be placed back into active status and resume regular application processing. These applicants will be placed into the queue before all other individuals who submit their application on the 61st day of the program.

Applicants with AGIs greater than 200% of AMI will not be eligible for HRP assistance.

ii. Unsafe Dwellings

The damaged property must be safe to enter for inspection to be eligible for reimbursement assistance. Homes with unsafe structural integrity, infestation, and/or present any other safety or security risk to the inspector will be deemed ineligible under HRP.

iii. Property Insurability

The damaged property must be insurable to be eligible for reimbursement assistance. Applicants who own any property with a SD value of greater than 50 percent (see section V.B.1.c.v.) must provide proof that the property is insurable, or their application will be ineligible for HRP assistance. Acceptable documents include proof of a current insurance policy (e.g., homeowners, flood, wind) or a letter from an insurance carrier stating that the property could be insured in its current state. No additional documentation will be required for individuals who provided proof of flood insurance to meet other eligibility requirements (e.g., AGI greater than 120 percent of AMI and resided in the floodplain at the time of the disaster and received previous disaster assistance).

iv. Repair Completion Date

Repairs made before the disaster incident date (see Table 6) or after the date the application is submitted to the GLO will not be eligible for reimbursement under HRP. Applicants must list all completed repairs on the Statement of Repairs form and submit it with their application packet. Items that are not listed on the Statement of Repairs will not be added to the DRV. Applicants cannot modify their Statement of Repairs form to include additional items after the submission date of the application. The only exceptions will be applicant-paid costs associated with lead-based paint abatement, asbestos abatement, and mold remediation requirements that are identified during environmental site assessments.

v. Repairs Outside of the Damaged Home’s Footprint

Repairs made outside of the footprint of the damaged home will not be eligible for reimbursement. This includes repairs made to sidewalks, driveways, fences, sheds, or any other developed areas around the damaged home. The only exceptions to this are water well repair, septic system repair, utilities repair (e.g., plumbing, electrical, and gas systems), and removal of construction debris from the property following the disaster.

vi. Repairs not Substantiated with Inspection

Repairs that cannot be substantiated on the DRV (see section V.B.1.c.iii.) are only eligible for reimbursement assistance if they can be substantiated with a receipt and proof of payment (e.g., credit card statement, bank statement). Repairs that are not on the DRV and were paid in cash are not eligible for reimbursement assistance.

vii. Non-essential Appliances

Non-essential appliances such as clothes washers, clothes dryers, wine refrigerators, beverage coolers, mini-refrigerators, grills, pizza ovens, built in coffee makers, and countertop appliances are not eligible for reimbursement.

viii. Labor Costs

Labor costs are only eligible for reimbursement assistance if they are accompanied by a dated receipt and proof of payment (e.g., credit card statement, bank statement, etc.). Labor costs that were paid in cash are not eligible for reimbursement assistance.

c. Allowable Expenses

Some expenses that are ineligible for reimbursement can be used to reduce the amount of an applicant's DOB (see section V.B.1.c.iii). These are called allowable expenses. Allowable expenses that exceed the amount of previous federal assistance cannot be applied to the reimbursement award. Repayment of SBA loan debt is not considered an allowable expense.

The following are all allowable expenses:

- Repairs outside of the damaged home's footprint (e.g., repairs made to sidewalks, driveways, fences, sheds, or any other developed areas around the damaged home)
- Repairs to bulkheads and seawalls
- Repairs for complete demolition of the home (including debris removal from demolition)
- Design, permit, and inspection fees
- Land surveys, soil tests, and borings
- Tree removal
- Construction equipment rental or purchase
- Damage assessment fees
- Forced mortgage payoff

- Attorney’s fees to collect insurance

d. Award Amount

Applicant awards will be determined based on DOB. The minimum reimbursement award is \$3,000. Any eligible applicant with a DOB < -\$3,000 will receive a reimbursement. The program cap for reimbursement is \$75,000. Applicants with a DOB < -\$75,000 will receive the maximum award.

e. Affordability Period

The GLO will require a one-year affordability period for all HRP participants. The participant must sign the Unsecured Forgivable Promissory Note (‘Note’) at the signing event (see section V.B.3.a.iii), that outlines the participant’s obligations during the Affordability Period.

C. Affordable Rental Program

The Affordable Rental Program will provide funds for rehabilitation, reconstruction, and new construction of affordable multifamily housing projects in areas impacted by 2024 Disasters. The GLO’s Request for Applications (RFA) will establish the application process and acceptance period, threshold criteria (including applicable building codes), and the award process. There will be a single application cycle open for all requests for funding under ARP, as detailed below.

The state may use CDBG-DR funds to rehabilitate units not damaged by the disaster if the activity clearly addresses a disaster-related impact and the units are located in a disaster-affected area. The impact can be demonstrated by the disaster’s overall effect on the quality, quantity, and affordability of housing stock and resulting inability of that stock to meet post-disaster needs and population demands.

Tie back to the disaster is accomplished either through documented direct damage or demonstrated loss to local housing markets.

Applicants located in City of Houston’s ETJ and/or Harris County will not be eligible for GLO assistance. HUD allocated funding directly to the City of Houston and Harris County so that they may develop their own disaster recovery programs.

1. General Grant Terms

The parameters listed below will apply to projects awarded under the Affordable Rental Program:

- The minimum amount eligible for award for each grant is \$500,000.00.
- The maximum amount eligible for award for each grant is \$7,500,000.00.
- ARP funds may only be used to reimburse approved expenditures for hard construction costs including site work, direct construction costs, and other construction costs. Acquisition, developer fees, soft costs, and financing costs will not be considered for reimbursement. All reimbursement requests for eligible funds will be approved at the sole discretion of the GLO.

- Applicant properties must be physically located within the HMID Counties and, with the exception of new construction projects, have sustained damage or been destroyed by the 2024 Disasters.
- Rehabilitation and Reconstruction project sites must have sustained damage or been destroyed by the 2024 Disasters.
- Projects including any new construction activities, even if combined with another type of construction, will be scored as new construction projects.
- Projects including a combination of Rehabilitation and Reconstruction activities will be scored as Reconstruction projects.
- Applicants and developers who did not own the project property at the time of the relevant disaster Event, but who have a documented Purchase and Sale agreement to the subject property, will be considered as having site control for the Affordable Rental Program. Additional information on acquisitions will be included in the RFA. Acquisition costs will not be an eligible use for 2024 Disasters CDBG-DR grant funds.
- Rehabilitation and Reconstruction projects must consist of a minimum of eight (8) or more continuous units OR meet the scattered site development criteria contained herein.
- New construction projects must consist of a minimum of eight (8) or more continuous units OR meet the scattered site development criteria contained herein.
- Contracts will include a ten-year Land Use Restriction Agreement (LURA) for Rehabilitation projects, and a twenty-year LURA for Reconstruction and new construction projects. If an applicant chooses to combine types of construction (e.g. Rehabilitation & new construction) the LURA will extend for the longest Affordability Period applicable to an included activity.
- At a minimum, 51 percent of the units must be restricted for the entire Affordability Period for LMI individuals earning 80 percent or less of the AMI at affordable rents. The rents must comply with the HUD HOME Investment Partnership (HOME Rents) and other existing LURA restrictions if applicable.
- Scattered site properties (properties with units located on non-contiguous plots) require each site to be restricted for 100 percent LMI individuals.
- The GLO is seeking guidance from HUD about the applicability of SAVE to the tenants of LMI units.
- Only one award will be made per County until an eligible application has been conditionally awarded within each Council of Governments (COG); remaining funds will then go to applications next on the list in the scoring category.
- All ARP projects receiving a grant award under this RFA must include mitigation measures in construction. These measures may include, but are not limited to:

- Elevating above base flood elevation;
- Reinforcing structural components for windstorm and impact;
- Using flood-resistant materials;
- Implementing erosion control measures; and
- Using energy-efficient building materials, systems, and appliances.

Mitigation measures must account for 20% of total hard costs, that is, 20% of the GLO contract grant amount as only hard costs are permitted for reimbursement under this RFA.

The following entity types are permitted to apply under ARP:

- Community Housing Development Organization (CHDO);
- 501(c)(3) or 501(c)(4) Not-For-Profit Organization (NPO);
- Local Public Housing Authority (PHA);
- Unit of local government;
- Private for-profit property owner (Residential Rental Property Owner); and
- Federally recognized Indian tribe.

2. Types and Amounts of Assistance

Exact awards will depend upon the amount of storm damage and the cost reasonableness of funds to bring the property up to GLO Construction Standards. ARP funds may only be used to reimburse approved expenditures for hard construction costs including site work, direct construction costs, and other construction costs. Acquisition, developer fees, soft costs, and financing costs will not be considered for reimbursement. Acquisition will not be an eligible activity under ARP. All reimbursement requests for eligible funds will be approved at the sole discretion of the GLO.

CDBG-DR funds may not be used to pay for damages covered by any FEMA reimbursement, SBA assistance, insurance claim payout, or any insurance policy including delayed or future payments anticipated. A DOB review must be completed for each ARP project to determine unmet needs prior to award.

ARP funds will issue to a developer in the form of a grant, which will be forgiven when all contractual obligations have been met, including satisfactory completion of construction and compliance with the required Affordability Period described in the LURA.

Project construction must be completed within the timeline stated in the contract.

3. Property Eligibility

Each proposed development must meet CDBG-DR eligibility requirements. All properties eligible for new construction, Rehabilitation, and Reconstruction must be located within an eligible county, and either the property must have sustained damage from the event or developer seeks to replace of units that were destroyed by the event.

The GLO will develop an RFA and an application process to fund the rehabilitation of existing multifamily housing developments or the replacement of damaged units through reconstruction or new construction. Projects submitted for awards are evaluated according to the priorities established in the RFA and the application process developed by the GLO. The RFA or application process must comply with the Eligibility Criteria requirements identified in “Eligibility Criteria,” (see section 5D), of this document.

All proposed construction located in the FFRMS floodplain, as identified on the most current Federal Emergency Management Agency (FEMA) Flood Maps, must comply with 24 CFR Part 55.

At a minimum, 51 percent of all units must benefit low- to moderate-income persons earning 80 percent or less of Area Median Income as defined by HUD and detailed in the Housing and Community Development Act of 1974 (HCDA) Title I, 105(a). Scattered site properties (properties with units located on non-contiguous plots) require each site to be 100 percent LMI.

Rent-restricted units occupied by low- to moderate-income households must be occupied at affordable rents. The units occupied by low- to moderate-income households must comply with the HUD HOME rent limits published by HUD under the HOME program. Rent restrictions for the units occupied by LMI households apply through the entire affordability period. Compliance with rent limits is determined by the GLO and guidance is provided at or before project occupancy.

The affordable rents must not exceed the High HOME Investment Partnership (HOME) Rents or any other levels established in the LURA unless the resident receives a federal housing voucher.

All units to be occupied by LMI households must have similar finishes and equal access to the same amenities as any market rate (non-LMI) units.

Projects will present a list of organizations with an ownership or special interest in the applicant and a list of development team members in the application. Organizations with special interest in the project that appear on multiple applications will only be granted up to two awards across the Affordable Rental Program for 2024 Disaster funding.

4. Eligible Applicant Requirements

For-profit public housing authorities, units of local governments, CHDOs, UBs, and not-for-profit developers/borrowers acting individually or as participants in a limited partnership (LP) or limited liability corporation (LLC) are eligible to apply. Not-for-profit entities must provide evidence of IRS tax-exempt status. Developers are required to list properties on the local Public Housing

Authority (PHA) landlord list and provide notification to Disaster Housing Assistance Program (DHAP) providers.

The applicant, development owner, principal, or developer/borrower must be in good standing with any outstanding loans and loan commitments.

The applicant, developer owner, principal or development/borrower or general contractor may not be “debarred” as cited on federal and state debarment lists in accordance with 24 CFR 570.609, as well as other applicable laws.

The applicant, developer owner, principal or development/borrower must provide a complete listing with addresses of multifamily properties owned or managed from January 1, 2020, to the date of application.

5. Eligibility Criteria

The GLO will develop an RFA and an application process. The RFA and application process will help identify the properties that provide benefit to the community. The GLO will utilize scoring criteria when reviewing all applications to award funds to the projects meeting the objectives of the program.

6. Program Requirements

Upon allocation for funding, the property will go through an environmental assessment and cost reasonableness review.

For rehabilitation or reconstruction activities, the applicant must submit an acceptable Property Condition Assessment (PCA) conducted by a qualified third-party inspector. In addition to repair costs identified in the PCA, other costs will be considered if they extend the useful life of the project. The project costs must be reasonable and typical in the current marketplace for projects of similar scope. Plans and specifications must be submitted for all units.

The project must comply with all applicable federal and state requirements.

7. Cost Reasonableness

The proposed multifamily projects will go through cost reasonableness/underwriting which will review the ownership structure, property operations, the sources and uses of funds, and the financial statements of the owner and guarantor (if applicable).

The project cost must be “reasonable and customary” as determined by an acceptable, independent third-party report, and considered reasonable as documented by a bidding process for entities that are subject to 2 CFR 200.318.326.

The underlying debt and operating expenses of the property will be reviewed to determine if the project is feasible during the affordability period and demonstrates income adequate to cover operating expenses and applicable debt service.

Sources and uses of funds will be reviewed to determine the adequacy of the funding to complete the project in conjunction with the PCA.

8. Contracting and Construction

a. Contracting

Following satisfactory due diligence, a contract will be executed between the Applicant and the state. This contract will specify the terms under which the funding is provided to the project, the number of units to be renovated/developed, the Affordability Period, and other conditions of the agreement.

b. Construction

Housing that is constructed or rehabilitated with CDBG-DR funds must meet all applicable program requirements, rehabilitation standards, local codes, and ordinances at the time of project completion. When CDBG-DR funds are used for a rehabilitation development, the entire unit must be brought up to the applicable property standards and meet Housing Quality Standards. The GLO will conduct a final inspection of the development. Common areas and units are subject to a Housing Quality Standards (HQS) or National Standards for the Physical Inspection of Real Estate (NSPIRE) inspection. Any deficiencies identified in that inspection must be corrected before final retainage is released.

Housing developments must meet all accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794). Covered multifamily dwellings, as defined at 24 CFR 100.201 as well as common use facilities in developments with covered dwellings, must meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601–3619), the design and construction requirements of the Fair Housing Act Design Manual and the ADA 2010 requirements with the HUD exceptions (79 FR 29671, May 23, 2014). Additionally, developments involving new construction (excluding construction of nonresidential buildings) where some units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20 percent of each Unit type (e.g., one bedroom, two bedroom, three bedroom) must provide an accessible entry level and all common-use facilities in compliance with the design and construction requirements of the Fair Housing Act Design Manual and include a minimum of one bedroom and one bathroom or powder room at the entry level.

A Certificate of Compliance issued as part of the chosen standard's compliance process will be required to be submitted as proof of compliance. Homes and multifamily homes in high wind and hurricane areas must also be built in compliance with FORTIFIED Home© standards. These standards also apply to rehabilitation projects that fall within the HUD definition of substantial rehabilitation. The developer/borrower must comply with Labor Standards, Section 3 Plan, Minority/Business Enterprise (MBE), Small Business Enterprise (SBE) requirements, Affirmative Marketing, and Contractor Clearance.

All contracts will be payment and performance bonded. The payment and performance bonds must be in the full amount of the awarded GLO contract and must have the Texas General Land Office names as an additional obligee.

All projects are subject to the Davis-Bacon Wage Act (40 U.S.C. 276a–276-a5, 24 CFR Part 70), The Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.), The Copeland “Anti-Kickback” Act (18 U.S.C. 874), Section 3 (24 CFR Part 135) requirements, reporting, and goals, and should be budgeted accordingly.

Prior to commencement of construction, the developer/borrower must have a Notice to Proceed. All developments including scattered-site projects owned by a sole owner with eight or more units must comply with the Davis-Bacon Wage Act.

The American Institute of Architects (AIA) Forms G702 and G703, or equivalent documentation at GLO’s discretion, will be required prior to funding each draw request.

Each contract with the developer/borrower will include up to 10 percent of the total GLO contract amount to be held as retainage until substantial completion and compliance with all program requirements.

Any new construction or substantial rehabilitation, as defined by 24 CFR 5.100, of a building with more than four rental units must include installation of broadband infrastructure, as this term is also defined in 24 CFR 5.100, except where the grantee documents that: (a) the location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible; (b) the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or (c) the structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible. For the purposes of this program broadband service can either be hardwired or wireless, but it must be provided at least at 25 Mbps down and 3 Mbps up.

9. Labor Standards

All multifamily developments, including scattered sites, containing eight or more units under common ownership must comply with applicable labor standards including, but not limited to, Davis-Bacon Act labor wage rates. Under the federal Davis-Bacon Wage Act, prevailing wages must be paid on all construction and related work projects.

The following information will be provided on all projects of eight or more units to the GLO:

- Notes of bid and preconstruction conferences as well as attendance rosters with attendee signatures;
- Notice to Proceed/Permission to Construct;
- All Department of Labor (DOL) General Wage Determination reports showing prevailing wages applicable to each project throughout the construction phase;

- Final Wage Compliance Report; and
- Davis-Bacon and Related Acts (DBRA) communications, including:
 - Department of Labor communications;
 - Letters to contractor(s) requesting payments of restitution owed to workers and liquidated damages, including copies of letters confirming contractor(s) compliance and/or resolution of labor-related issues. Department of Labor (DOL) Semi-Annual Report with all required reporting data associated with the CDBG-DR event award; and
 - Additional documentation as required by GLO.

10. Relocation

The applicant is responsible for the relocation activities related to the project, as applicable. The applicant shall comply with program regulations of the Uniform Relocation Assistance and Real Property Policies Act of 1970 (“URA”), as amended (49 CFR 24), and 104(d) of the Housing and Community Development Act of 1974, as amended (24 CFR 42) as stated in the Federal Register Notice for this allocation.

If applicable, the applicant shall submit all documentation relating to URA, including but not limited to, (1) a Relocation Plan with Assurance Letter, (2) Notice to Real Property, (3) Tenant Status Reports, and (4) all Notices with Tenant Acknowledgments as required.

As determined by the FR, Section 414 of the Stafford Act, the law that defines most federal disaster response and recovery programs, requires disaster-displaced tenants from rental properties be provided Uniform Relocation Assistance (URA) if federal funds are being used to rebuild, acquire, or demolish a housing unit. This Federal Register limits the Section 414 provision to 1 year from the date of the disaster for tenants, and indicates there is no requirement for the sub-grantee to comply with Section 414 after the 1-year anniversary. HUD waived the provision to lighten the administrative burden that is required to continue to locate displaced tenant’s years after the disaster. Regular Uniform URA requirements still apply for tenants present in the unit at the time a CDBG-DR assisted activity is implemented. The displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months. (49 CFR 24.402(b))

The GLO will follow its Residential Anti-displacement and Relocation Assistance Plan (RARAP). The GLO will take the following steps and require subrecipients and developers to minimize the direct and indirect displacement of persons from their homes: (1) plan construction activities to allow tenants to remain in their units as long as possible by rehabilitating empty units or buildings first; (2) where feasible, give priority to rehabilitation of housing, as opposed to demolition, to avoid displacement; (3) adopt policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods; (4) adopt tax assessment policies, such as deferred tax payment plans, to reduce impact of increasing property tax assessments on lower-income owner-occupants or tenants in revitalizing areas; or (5) target only those properties deemed essential to the need or success of the project.

11. Project Completion and Release of Retainage Procedures

When a project is completed, the documentation listed below must be submitted by the contractor to allow the GLO to release the retainage amount (the last 10 percent of the project budget):

- A Final Draw for Retainage (identical in form to the other draw requests and including the final inspection report from the third-party inspector indicating that the project is complete);
- A Final Wage Compliance Report;
- A Certificate of Occupancy for the project (for new construction);
- Confirmation from the third-party inspector that the project meets the requirements of the Americans with Disabilities Act;
- A Certificate of Substantial Completion and/or AIA G704 form signed by the property owner, general contractor, and architect (for rehabilitation and reconstruction developments), or equivalent documentation as deemed acceptable by the GLO and identifying the date of substantial completion;
- A Down Date Endorsement/Nothing Further Certificate from a title company on the subject property dated a minimum of 30 days after substantial completion to ensure no mechanics liens have been filed;
- A signed and notarized lien waiver and all bills paid affidavit from the general contractor to show that all subcontractors have been paid; and
- Any other requested documentation from the GLO.

A LURA will be placed on each multifamily development receiving disaster funds to repair, construct, or reconstruct rental units. The LURA sets forth income and rent restrictions applicable to units of affordable rental housing. This document will be filed with the local county clerk's office in the land records. The LURA must be approved by GLO, and the requirements imposed by the LURA will remain with the property for the full term of the affordability period.

12. Project Lease Up Procedures

Multifamily developments assisted with CDBG-DR funds are required to have a Project Tenant Selection Policy (TSP), Affirmative Marketing Plan, and a schedule of leases and rents to ensure compliance with CDBG-DR requirements. The TSP must be:

- Written and displayed at the project leasing in a common area;
- Consistent with the purpose of providing housing for families making 80 percent or less of AMI;
- Reasonably related to program eligibility and tenant's ability to perform under the lease;

- Chronological, so that tenants taken from a written waiting list are assisted in order; and
- Designed to give prompt written notice of the grounds for rejection to any lessee rejected based on income.

13. Annual Monitoring Procedures

Completed projects require annual monitoring. Monitoring will be conducted by the GLO throughout the affordability period. The results and reviews of monitoring activities ensure the provision of safe, decent, affordable rental housing that is in compliance with all applicable regulations. The monitoring review also ensures that the project has achieved the National Objective of leasing at least 51 percent of the units to LMI residents. Income targets and rents must comply with Affordable Rental Program LURA requirements and other compliance requirements.

14. Files and Reports

The state will maintain accurate Affordable Rental Program files and records for general administration activities for each development and tenant for the duration of the Program and during the affordability period. Such files will be open for inspection by funding-source representatives.

15. Changes, Waivers, and/or Conflicts

The state's vendors and subrecipients may not change, modify, waive, or revoke all or any part of these Guidelines without the written approval of the GLO. The GLO reserves the right to change, modify, waive, or revoke any and all parts of these Guidelines.

VI. DEFINITIONS

Adjusted Gross Income (AGI): AGI is an individual's total gross income minus specific deductions. The GLO Adjusted Gross Income Methodology may be found at: <https://www.glo.texas.gov/sites/default/files/resources/cdr/documents/grant-administration/grant-implementation/housing/housing-administration/flood-grant-administration/2h-adjusted-gross-income-hh.xlsx>.

Affirmatively Furthering Fair Housing (AFFH): AFFH is a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act.

Affordability Period: The period of time during which a property must comply with CDBG-DR program rules and regulations, including primary residency, income, and rent restrictions, as applicable.

Americans with Disabilities Act (ADA): A 1990 federal civil rights law (as amended in 2008) that prohibits discrimination against people with disabilities in everyday activities. The ADA guarantees equal opportunities for people with disabilities in employment, transportation, and public accommodations.

Applicant/Homeowner/Survivor: (Used interchangeably) Individuals whose homes or housing units were destroyed, made uninhabitable, needed repairs, or who suffered disaster-related displacement from their primary residences and/or loss of property.

Area Median Income (AMI): Calculated annual limits based on HUD-estimated median family income with adjustments based on family size used for demonstrating LMI beneficiaries in the programs. May also be referred to Area Median Family Income (AMFI) in other program documents.

Beneficiary: The recipient deriving advantage from CDBG-DR funding.

Builder/Contractor: (Used interchangeably) A person who contracts to construct or repair houses or buildings and/or supervises building operations.

Builder Assignments: A qualified pool of builders developed by subrecipients or the GLO. They must also meet state and federal procurement requirements and possess controls that will ensure quality construction that meets the standards of the CDBG-DR Housing Program.

Case Management: Working with individual survivors and their families to understand the Program's housing options, resulting in clear and transparent determination of eligibility. Case managers must consider all special circumstances of the survivor's needs to decrease their barriers to participate in the program where possible. Staff should meet at designated locations and supply information in a standard format.

Damage Assessment: An inspection of the housing unit to document damage from the event. The assessment by a certified or licensed inspector (HQS, TREC, or similar license) is required to specifically and clearly document storm-related property damage via photographic evidence and detailed narratives (see the GLO's Damage Assessment Guidelines, found at: <https://www.glo.texas.gov/disaster-recovery>). Damage assessments must include final cost of repair estimates according to local code, an assessment of

the cost-effectiveness of each recommended activity (rehabilitation, reconstruction, or new construction), mold remediation, and assistance needed to bring the home up to code at completion.

Davis-Bacon Act of 1931 (40 USC Part 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 DRBA, as amended. This applies to the rehabilitation and reconstruction of residential property only if such property contains not less than 8 units.¹

Duplication of Benefits: The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source.

Elevation Standards: Standards that apply to new construction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1).

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 2024 Disasters (DR-4781 and DR-4798), and subsequent flooding.

Family: The term family means all persons living together in the same housing unit, as further defined under 24 CFR 570.3.

Federal Emergency Management Agency (FEMA)-Designated High-Risk Area: Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.

Federal Register (FR): A daily publication of the US federal government that issues proposed and final administrative regulations of federal agencies.

Flood Disaster Protection Act of 1973 and Sec. 582(a) of the National Flood Insurance Reform Act of 1994: Compliance with the legal requirements of Section 582(a) mandates that HUD flood disaster assistance that is made available in Special Flood Hazard Areas (SFHAs) may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration for flood damage to any personal, residential or commercial property if: (1) the person had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and (2) that person failed to obtain and maintain flood insurance as required under applicable federal law on such property.

¹ <https://www.hudexchange.info/resources/documents/Housing-and-Community-Development-Act-1974.pdf>

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

Flood Insurance: The Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) requires that projects receiving federal assistance and located in an area identified by FEMA as being within a Special Flood Hazard Areas (SFHA) be covered by flood insurance under the National Flood Insurance Program (NFIP). In order to be able to purchase flood insurance, the community must be participating in the NFIP. If the community is not participating in the NFIP, federal assistance cannot be used in those areas.

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.

General Land Office (GLO): The Texas General Land Office is the lead state agency for managing the state's Community Development Block Grant - Disaster Recovery grants through the U.S. Department of Housing and Urban Development.

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.

Green and Resilient Building Standards: All rehabilitation (meets the definition of substantial improvement), reconstruction, or new construction must meet an industry-recognized standard that has achieved certification under at least one of the following programs: (1) ENERGY STAR (Certified Homes or Multifamily High-Rise), (2) EPA Indoor Air Plus (Energy Star a prerequisite), (3) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), or (4) ICC-700 National Green Building Standard.

Home/Housing Unit: (used interchangeably) a house, apartment, group of rooms, or single room occupied or intended for occupancy as separate living quarters.

Homeowner Assistance Activity: The utilization of CDBG-DR funding to rehabilitate or reconstruct damaged homes for the applicant to remain in the original home at the original home site. The home to be assisted must have been owner-occupied at the time of the event.

Household: A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the LMI National Objective is based on the LMI of the household.

Housing and Community Development Act of 1974, as amended by the Supplemental Appropriations Act of 1984: Established the program of Community Development Block Grants to finance the acquisition and rehabilitation of real property and which defined the recipients and uses of such grants, with the primary goal of benefitting LMI persons.

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 75.

Housing Quality Standards (HQS): The HQS establish certain minimum standards for buildings constructed under HUD housing programs. This includes new single family homes and multifamily housing as outlined in 24 CFR 982.401.

Low to Moderate Housing (LMH) National Objective: Any activity that involves the buyout, acquisition, or rehabilitation of property to provide housing or improve permanent residential structures will upon completion benefit and must be occupied by low- and moderate-income households (42 U.S.C. 5305(c)(3)). Income eligibility will be determined using Area Median Income (AMI), adjusted for family size and verified in accordance with GLO's Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by the subrecipient or the state to verify the income eligibility of each household applying for assistance at the time assistance is provided.

Low to Moderate Income National Objective: Activities which benefit persons of income that does not exceed 80 percent of the area median income:

- Very low: Household's annual income is up to 30 percent of AMI, as determined by HUD, adjusted for family size;
- Low: Household's annual income is between 31 percent and 50 percent of AMI, as determined by HUD, adjusted for family size; and
- Moderate: Household's annual income is between 51 percent and 80 percent of AMI, as determined by HUD, adjusted for family size.

Manufactured Housing Unit (MHU): A structure, transportable in one or more sections which in the traveling mode is 8 body-feet or more in width, or 40 body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

Mitigation: Measures aimed at reducing property damage, financial hardship, and long-term economic burdens. Notable and effective strategies of flood mitigation programs may involve the acquisition of flood-prone properties and the elevation of structures in high-risk floodplains. These mitigation initiatives serve to enhance the safety and resilience of residents and communities in the face of natural disasters.

Modular Housing: A home built in sections in a factory to meet state, local, or regional building codes. Once assembled, the modular unit becomes permanently fixed to one site.

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

One for One Replacement: Subpart B Requirements Under Section 104(d) of the Housing and Community Development Act of 1974, 24 CFR 42.375 provides for public and/or assisted lower-income dwelling units to be demolished or converted to a use be replaced with comparable lower-income dwelling units.

Program: The GLO’s plan, process, and procedures to assist communities and distribute CDBG-DR funds to rebuild disaster affected areas and provide a broad range of housing recovery activities as provided in the GLO’s approved Action Plan and subsequent amendments.

Program Income: Net income derived from the sale of program assets that exceeds \$35,000 in the aggregate, in a single fiscal year, received by the subrecipient and directly generated from the use of housing CDBG-DR funds.

Reconstruction: Demolition and rebuilding of a stick-built or modular housing unit on the same lot in substantially the same footprint and manner. The number of units on the lot may not increase, and the total square footage of the original, principal residence structure to be reconstructed may not be substantially exceeded; however, the number of rooms in a unit may be increased or decreased based on the applicant’s current household size.

Rehabilitation: Repair or restoration of storm-damaged housing units in the impacted areas to applicable construction codes and standards.

Reimbursement Program: Program designed for eligible applicants who have used non-disaster relief funds for completed reconstruction, rehabilitation, elevation, and/or mitigation on single family homes prior to the start of the program on July 09, 2025. Reimbursement for costs after July 09, 2025 are ineligible.

Rental Activity: Acquisition, rehabilitation, or construction of affordable rental housing resulting in structures where at least 51 percent of units are occupied by LMI persons. Income and rent restrictions apply to the rental units to be built or assisted.

Request for Applications (RFA): A project announcement posted publicly indicating that bids for contractors to complete the project are sought.

Single Family Home: A single-unit family residence detached or attached to other housing structures.

Subrogation Agreement: An agreement executed by the beneficiary agreeing to repay any duplicative assistance if the beneficiary later receives other disaster assistance for the same purpose as disaster recovery funds already received.

Substantial Damage: Damage of any origin sustained by a structure whereby the cost of restoring the structure to its pre-damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred (44 CFR 59.1).

Substantial Improvement: Any reconstruction, rehabilitation, addition, or other improvement of a structure which the cost equals or exceeds 50 percent of the fair market value of the structure before the “start of construction” of the improvement. This term includes structures which have incurred

“substantial damage,” regardless of the actual repair work performed. The term does not, however, include either: (1) any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions, or (2) any alteration of a “historic structure,” provided that the alteration will not preclude the structure’s continued designation as a “historic structure”(44 CFR 59.1).

Temporary Relocation Assistance (TRA): Funds directly paid to moving, lodging, and/or storage facilities to assist single family, owner-occupied housing participants who are voluntarily displaced during construction (under 12 months) due to a rehabilitation or reconstruction project. TRA specifics are also outlined in the GLO’s Optional Relocation Policy. Uniform Relocation Assistance (URA) does not apply to these circumstances.

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 CFR Part 24) (42 U.S.C. 4601 et seq.) (URA): Applies to all acquisitions of real property or displacements of persons resulting from federal or federally assisted program or projects. URA’s objective is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to multifamily damaged/occupied activities that require the relocation of the tenants. A displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months, as waived by the FR.

Unsecured Forgivable Promissory Note: If the applicant qualifies for disaster recovery assistance and has been awarded funding, there are conditions placed on the applicant receiving the assistance. The conditions are outlined in an Unsecured Forgivable Promissory Note (the Note) between the assisted beneficiary and the subrecipient or the state that requires applicants to comply with several terms during a set affordability period. Once the homeowner complies with all the terms of the Note and the affordability period ends, the terms are forgiven.

Urgent Need National Objective: An urgent need that exists because conditions pose serious and immediate threat to the health or welfare of the community; the existing conditions are recent or recently became urgent; and the subrecipient cannot finance the activities on its own because other funding sources are not available. Subrecipients or the state must document how each program and/or activity funded under this category responds to a disaster-related impact. See 24 CFR 570.208(c).

Vendor: Vendors and private grant administrators procured by the state or subrecipients to provide supplies, equipment, or services necessary to implement the Program and to serve homeowner assistance needs. Upon approval, the vendor may implement the Program or act on behalf of the GLO or the subrecipient.

Any references contained in this Housing Guidelines may be updated or changed without notice, to reflect the most up to date information available.

The GLO Housing Guidelines provides guidance on how to design, implement, and close a CDBG-DR Housing Program, and should not be construed as exhaustive instructions.

For questions regarding these guidelines, contact:
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Ronald.Recinos.glo@recovery.texas.gov