

HOUSING RECOVERY PROGRAM

Cameron County is accepting applications from homeowners whose homes were damaged by Hurricane Dolly. Assisted homeowners must be of low to moderate income and meet other requirements.

Applications and additional information on program requirements can be obtained at the following locations.

Community Development
Corporation of Brownsville
901 E. Levee
Brownsville, Texas 78520
(956) 541-4955

Harlingen Community
Development Corporation
518 E. Harrison
Harlingen, Texas 78550
(956) 421-2351

CAMERON COUNTY, TEXAS
Community Development Block Grant (CDBG) Disaster Recovery

Texas Department of Housing and Community Affairs
Housing Assistance Guidelines
March 4, 2010

1. PURPOSE OF PROGRAM

Cameron County (the County) has received \$3,093,750 in disaster recovery funding due to Hurricane Dolly. The funds are administered by the Texas Department of Housing and Community Affairs (the Department). The purpose of this program is to provide financial assistance, in the form of an Unsecured Deferred Forgivable Note to households of low-to moderate income defined as households earning 80% area median income for the rehabilitation, reconstruction or minor repairs (the Program) of owner occupied homes in Cameron County that had disaster related damages by Hurricane Dolly. The focus of the Program is to provide safe, decent and sanitary housing by bringing all repairs into compliance with all applicable health, safety and local building codes and ordinances. In addition, rehabilitated properties must comply with HUD's Section 8, Housing Quality Standard (HQS) and all reconstructed and newly newly constructed housing units comply with the universal design features in new construction, established by §2306.514, Texas Government Code, energy standards as verified by a RESCHECK certification, and the International Residential Codes, as required by Subchapter G, Chapter 214, Local Government Code. All properties must comply with Section 31 of the Federal Fire Prevention Control Act of 1974. The Program will be administered by the County and implemented by one or more locally based non-profit housing providers, procured by the County.

2. DESIGNATED AUTHORITY TO ADMINISTER PROGRAM

The County will administer the Program.

The County contact person is:

Raul Garcia

Community Development Coordinator

Cameron County Courthouse, Rm. 105

1100 E. Monroe

Brownsville, Tx 78520

(956) 544-0828 (office hours 8:00 a.m. thru 5:00 p.m.)

This Program shall be operated in accordance with all applicable rules and regulations of the Texas Department of Housing and Community Affairs, the U.S. Department of Housing Urban Development (HUD), and all applicable local codes and ordinances.

3. TYPE OF FINANCIAL ASSISTANCE

- A. Assistance to home's directly linked to damage caused by Hurricane Dolly
- B. The financial assistance for the Program will be provided through an Unsecured Deferred Forgivable Note Program ("Note") to low-to moderate income homeowners.
- C. The maximum amount of Program assistance to be provided in the form of a note to an applicant for minor repairs shall be \$5,000.
- D. The maximum amount of Program assistance to be provided to an applicant for repair/rehabilitation shall be \$25,000.
- E. The maximum amount Program assistance to be provided to an applicant for reconstruction or replacement shall be \$65,000.

In the event that \$5,000, \$25,000 or \$65,000 is not sufficient to complete the necessary repairs for rehabilitation, for reconstruction/replacement or to meet the special needs of the homeowner, Cameron County may authorize additional funds for the project. The applicant may be required to either:

- i. Place the necessary funds in escrow when the agreement is executed;
 - ii. Secure an approved home improvement loan from a financial institution to be used in conjunction with Program funds; or
 - iii. In the event that the homeowner secures a home improvement loan from a financial institution, a letter of commitments from the financial institution must be provided when the construction contract is signed. Applicants shall have thirty (30) days to secure additional financing or be subject to disqualification.
- F. In order to document the physical condition and presence of disaster related damages of the home which will be assisted, a thorough inspection by a licensed and knowledgeable inspector will be required. This inspection will be documented in writing with drawings and photographs of the interior and exterior (front and back) . All items needing repair will be documented with specific measurements and locations sufficiently to create a work-write up and cost estimate.
 - G. If reconstruction is being considered, a preliminary budget will be prepared to indicate the potential cost of rehabilitation. This budget, including an inspection checklist, notes, photographs and drawings will be called the "feasibility analysis". The feasibility analysis is performed by the inspector. This budget will include all major systems costs and detail of other individual items and costs. If the cost of rehabilitation including lead hazard inspection and reduction:

- i. If less than \$25,000 the homeowner will be offered rehabilitation services. Reconstruction will not be an option and a detailed work write-up and cost estimate for rehabilitation will be prepared to be used as bid documents.
 - ii. If feasibility analysis indicates a budget in excess of \$25,000 for rehabilitation and the applicant does not desire reconstruction Cameron County will “walk away” from the project after notifying the applicant that the project is not feasible and offering an explanation in writing.
- H. The minimum amount of assistance that may be provided to any applicant for minor repair/rehabilitation assistance shall be One Thousand Dollars (\$1,000.00).
- I. Relocation Plan
 - a. Relocation services will not be provided.
- J. Items damaged by Hurricane Dolly such as, air conditioners, heating systems, and water heaters are eligible to be replaced under the CDBG Disaster Recovery Program. Appliances and housing components that are not integral to the structure of the home such as washers, dryers, detached garages and carports are not eligible.
- K. Eligible expenses also include the initial year’s hazard insurance and if applicable, initial year’s flood insurance policy.
- L. The following are sources of funding assistance provided for structural damage and loss that are potential sources of a duplication of benefits and under federal law must be deducted from the grant assistance amount: FEMA Individual Assistance (IA), FEMA National Flood Insurance Program (NFIP), private insurance, United States Department of Agriculture (USDA), Increased cost of Compliance (ICC), and Small Business Administration (SBA). Home repairs conducted by Non-Profit Agencies is not considered a duplication of benefits.

4. PARTICIPANT ELIGIBILITY

To be eligible for assistance all applicants must meet the following criteria:

A. Residence

- i. The applicant must provide evidence of principle residency as of the date of the storm. This can be evidenced by a homestead exemption status or active utilities in the name of the applicant for the billing cycle that included 07/23/2008.

- ii. Homeowner must also provide evidence that they are currently the owner of the property. Proof of property ownership can be obtained through deeds or evidence of fee simple title to the property.

In the absence of proof of property ownership described above, to be eligible for assistance, the applicant household must provide evidence of ownership interest in the property by doing the following:

- i. Provide to Cameron County an affidavit that sets forth how they are the successors of interest, through devise, intestacy, or conveyance, to the holder(s) of record title and that either:
 - 1) there is no other person entitled to claim any ownership interest in the property; or
 - 2) each person who may be entitled to claim an ownership interest in the property has given their consent or cannot be located after a reasonable effort and provide to Cameron County either:
 - a. Proof that they have been, for the current and last preceding tax year, the person reflected on the tax rolls as the owner and the person liable for property taxes; or
 - b. Other evidence, reasonably acceptable to TDHCA, that establishes that they have ownership over the property.

Cameron County may accept alternate forms of ownership as approved by TDHCA.

- iii. Federal Assistance is not permitted in areas located in the Coastal Barriers Resource Act or airport runway clear zones.

B. Income:

- i. Cameron County must ensure that the application's household is income qualified. Total household gross income of all members adults in the household must be less than eighty (80%) of the area's median income limit as published by HUD. All sources of income, assets and employment must be documented in writing. The support documentation must be maintained in each applicant's file. Income eligibility is defined by 24 CFR Part 5.
- ii. Cameron County will utilize current forms acceptable to the Department to income qualify applicants.
- iii. The current income limits published annually by HUD and the Department must be used to verify income eligibility of each household served. Under no condition can a household that exceeds the limits below be served with Program Funds.

----- 2009 INCOME LIMITS for 80% AMFI*-----

One person in household	Two persons in household	Three persons in household	Four persons in household	Five persons in household	Six persons in household	Seven persons in household
\$ 25,550	\$ 29,200	\$ 32,850	\$ 36,500	\$ 39,400	\$ 42,250	\$ 45,250

- i. income limits subject to change on an annual basis

C. Property Taxes

Property taxes must be paid current in order for the applicant’s property to be eligible for assistance. In the event delinquent taxes are owed on the property, the applicant may meet the property tax eligibility requirement by:

- Paying all delinquent property taxes; OR
- Qualifying for and receiving a property tax deferral as allowed under the Texas Property Tax Code 33.07 or a tax exemption pursuant to Texas Property Tax Code

Exception for delinquent taxes: A written payment agreement provided by the applicable taxing authority, and a written statement from the taxing authority verifying that the agreement is paid current, or for child support or student loan debt, a written payment agreement with the appropriate state agency to eliminate the delinquency, and evidence of current status on *both* the payment agreement and on any monthly payments due.

CDBG funds may not be used to pay delinquent taxes. Written verifications must be placed in each applicant’s file. For verifications conducted via telephone, a completed (including, but not limited to date of contract, name of contact, and phone number of contact) telephone confirmation form must be completed.

5. PROGRAM MARKETING

A. The availability of the Program funds shall be publicized via:

- i. Press releases in local broadcast media outlets and newspapers.
- ii. Public Service Announcements, which are developed and distributed to local broadcast media and newspapers.
- iii. Informational pamphlets, public notices, and outreach distributed by public or non-profit organizations and businesses.

Information and applications will be available in English and Spanish.

B. Affirmative Marketing Plan

In addition to marketing through widely available media outlets, Cameron County will take additional measures to affirmatively market the Program services as follows:

i. Contact and market to the following local organizations that provide unique access for persons that are considered members of a protected class under the Fair Housing Act: Avance, Migrant Council and others.

ii. Advertise with the following media outlets that provide unique access for person that are considered members of a protected class under the Fair Housing Act including: Channel 5 (ABC), Channel 4 (CBS), Channel 23 (NBC), and Public Access Stations.

iii. Take the following measures to make the program accessible to persons that are considered members of a protected class under the Fair Housing Act: This might include information targeting homebound disabled, non-English speaking persons, neighborhood-based organizations in minority neighborhoods and/or any other group which might not have access to information. As part of a special outreach effort, Cameron County will work cooperatively with local organizations which serve the needs of persons protected by the Fair Housing Act. Such organizations might include minority churches, housing agencies, non-profits which serve disabled persons or displaced homemakers, elder care organizations or any other specific organization which provides services in the target area.

iv. The marketing and affirmative marketing used and copies of advertisement and announcements will be kept by Cameron County and made available to the public upon request.

v. Whenever possible, Cameron County will use the Fair Housing logo in advertising; post Fair Housing information, posters and other related information; and in general, inform the public of their rights and obligations under Fair Housing regulations.

C. Cameron County will accept applications as follows:

- i. In person at: Community Development of Brownsville,
901 E. Levee
Brownsville, Tx 78520
(956) 541-4955

Harlingen Community Development Corporation
518 E. Harrison
Harlingen, Texas 78550
(956) 421-2351

- ii. By mail to one of the addresses shown above.

iii. Time and date applications accepted: Applications will be accepted anytime during the contract period between the hours of 8:00a.m.to 5:00 p.m.

iv. Special arrangements: Arrangements can be made for persons with special needs, language interpretation needs or for persons needing alternate times and locations by calling their business office.

6. METHOD OF APPLICATION

- A. Cameron County shall be responsible for advertising the availability of the Program and for accepting applications.
- B. Cameron County will accept applications until April 30, 2010 or funds are expended or reserved, whichever comes first. All applications will be reviewed for completeness in the order in which they are received.
- C. Upon receipt of the applications for repair/rehabilitation/reconstruction assistance, applications will be screened for completeness and all information related to employment, income, assets and liabilities will be verified to determine the applicant's eligibility. Cameron County shall be ultimately responsible for determining the eligibility of each applicant.
- D. Each completed and eligible application Cameron County will be ranked as described in these guidelines.
- F. All applicants selected for assistance shall be counseled by a Housing Counselor, regarding his or her housing needs and in determining the type of eligible repairs. A written agreement will be executed between Cameron County and the applicant that outlines mutual responsibilities and the terms of the assistance.
- G. First Come First Serve Rating

All eligible applicants will be rated on a first come first serve basis in order to establish a priority of funds.

- H. Incomplete applications will not be placed on a waiting list until all required documents for the application are provided to Cameron County and the application is verified and certified as program eligible.
- I. Applicants will be given a 2 month time frame to complete all application documents.
- J. Applications will be accepted until funding for the Housing Recovery Program is exhausted.

8. PROPERTY REQUIREMENTS

- A. The property must be a single-family dwelling located within Cameron County.
- B. Homeowners must obtain hazard insurance and flood insurance if applicable as a condition of assistance.

Program funds may not be used with respect to the acquisition, new construction, or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

(a) Under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), CDBG Disaster Recovery Fund funds may not be used with respect to the reconstruction, or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

- (i) The community where the project is located is participating in the National Flood Insurance Program, or less than a year has passed since FEMA notification regarding such hazards; and
- (ii) Flood Insurance is obtained as a condition of approval of the commitment.

The homeowner is required to maintain hazard insurance, if applicable flood insurance, and maintain a 3 year principle residency on the property. Failure to maintain hazard may prohibit the homeowner from receiving future disaster recovery assistance; failure to maintain flood insurance will prohibit the homeowner from receiving future disaster recovery assistance.

- C. One-year coverage for hazard and flood insurance policy is an eligible Program cost.
- D. After assistance the rehabilitated portions of the property must comply with local building codes, and the entire structure must comply with local health and safety codes and standards, housing quality standards and Section 31 of the Federal Fire Prevention Act of 1974.

Newly constructed homes (including reconstructs) must meet:

- i. Universal design features in new construction, established by §2306.514, Texas Government Code.
 - ii. All replacement housing including manufactured housing units or modular homes must comply with Housing and Urban Development (HUD) construction standards, and state, local or regional building codes as applicable.
 - iii. Energy standards as verified by a RESCHECK™ certification.
 - iv. The International Residential Code as 11 of the IRC as required by Chapter 388 of the Health and Safety Code as applicable.
 - v. Section 31 of the Federal Fire Prevention Act of 1974.
- G. Any housing unit built before 1978 must be inspected for hazards associated with the presence of lead-based paint. Housing units that contain lead-based paint will not be eligible for rehabilitation unless the lead paint is abated or the lead hazards reduced as required. Proof of notifications, work completed and clearance examination must be available.
- H. Housing units located in an area where Federal Assistance is not permitted by the Coastal Barriers Resource Act or within runway clear zones of either a civil or military airport are not eligible properties.

9. ELIGIBLE AND INELIGIBLE IMPROVEMENTS & EXPENSES

- A. Funds shall be used for those repairs and/or replacements that are necessary to bring the structure into compliance with Housing Quality Standards.
- B. All sites must be reasonably cleaned by the Homeowner to make sites accessible before any construction activity can begin.
- C. Funds may also be used for general improvements that are “reasonable and customary” except as excluded herein. All improvements must be physically attached to the property and be permanent in nature.
- D. Funds may not be used for luxury items including, but not limited to: swimming pools, fences (other than those required for security), television satellite dishes, and dishwashers. Any change orders must be submitted to Cameron County for approval
- E. Air conditioning and heating systems, water heaters and roofs are eligible for replacement under the Program. Urgent replacements of major appliances will be considered as needed but must be approved by the Department.
- F. The use of lead-based paints is prohibited. Any units built prior to 1978 will be inspected and assessed for any hazards associated with the presence of lead-based paint by a State of Texas certified lead inspector/assessor. Each family will be notified as to the hazards of lead based paint. Where any hazard has been detected, the owner shall be notified. Feasibility analysis of reducing the

lead hazards will be included as part of any feasibility analysis that is conducted. If rehabilitation and lead hazard reduction is not feasible a reconstruction may be proposed.

- G. All building permits shall be obtained by the contractor at his/her expense and may be included as part of the bid.

10. PARTICIPANT APPROVAL AND RESPONSIBILITIES

- A. After the applicants have been approved for assistance, a property inspection must be conducted by a TREC inspector to determine the work necessary to upgrade the structure to minimum Program standards. All rehabilitation work done must meet Housing Quality Standards. Work write-ups will be required for all applicants awarded. Reconstruction projects will also require plans and specifications. All plans and specifications shall be approved by the County. "Before" pictures shall be taken to provide a photographic record of the necessary structure and improvements.
- B. Applicants will be given the opportunity to accompany inspector on the work write-up inspection in order to discuss the proposed work items. When the work write-up has been completed and a cost estimate prepared, Cameron County shall discuss the scope of the work and the effect of the cost estimate with the applicant. If the applicant agrees with scope of work and to his/her responsibility regarding any additional funding, the applicant shall sign off on the final work write-up that is used in the bidding process. Work items that are necessary to bring the structure up to program standards may not be omitted.
- C. The homeowner will be responsible for notifying Cameron County if the property is sold/transferred during the affordability period and repaying the Note to Cameron County in accordance to the terms of the Note

11. CONTRACTOR SELECTION

- A. Contractor Qualifications
In order to meet Cameron County's Standard, contractors are responsible for, and must meet minimum requirements as follows:
 - i. All contractors shall carry and provide proof of a current general liability policy of at least one hundred thousand dollars (\$100,000). This policy should cover all work done under the Program and be pre-paid throughout the contract period. No geographical, time or other limitation that excludes the Program will be acceptable.
 - ii. The contractor and sub-contractors must not be debarred, suspended, or ineligible according to the U.S. general Services Administration's List of Parties Excluded from Federal Procurement or Non Procurement Programs including the State of Texas debarred list. Verifications of contractor

eligibility shall be obtained by Cameron County prior to awarding any contract to the contractor.

- iii. Whenever possible, Cameron County will give opportunities to low income workers and Historically Underutilized Business (HUBs) and will make an affirmative effort to encourage bids from such contractors.
 - iv. Whenever possible, opportunities shall be given to locally owned businesses and low-income residents of a given area.
 - v. A builder's criminal history and history of unsatisfied judgments in evaluating whether an applicant is honest, trustworthy and has integrity and qualifies to participate in the program. Crimes of moral turpitude may be evaluated on a case by case by case basis.
- B. In addition to these requirements, Cameron County may establish its own fair and evenly applied criteria for contractor selection. All contractors must have:
- i. Workers compensation insurance, personal and liability insurance;
 - ii. Verification of quality of work references;
 - iii. Verification of credit references;
 - iv. Verification of established line of credit, and a performance bond if the contract is in excess of \$100,000 and a payment bond if the contract is in excess of \$25,000.
- C. An approved contractor list will be created and will be accessible to all applicants who meet the fair and reasonable criteria pre-established by the program. Such criteria will be made available in writing upon demand by interested parties. This criteria along with an advertisement to bid will be posted in a public place. Any advertisement to bid should allow reasonable time for an interested party to meet the criteria required by the implementing non-profit.

12. CONTRACTOR PROCUREMENT

- A. Contractors will be selected through an itemized bid process. A sealed bid is the preferred method of selecting bids. If the modified bid process is followed, the homeowner may select any bid that is within 15% of the cost estimate. If the bid is too high, one of the following will occur: 1) request the bidder to review his or her bid to determine if any items were priced inappropriately and to revise his/her bid accordingly or 2) Cameron County will re-bid the project in its entirety. If errors are confirmed in the original cost estimate, appropriate estimate adjustments shall be made to effectively compare the bids to this estimate. If the homeowner has deferred contractor selection to the Program, the lowest qualified bid may be selected.
- B. Contractors will adhere to the terms of the rehabilitation contract including the Housing Quality Standards (HQS) and the general specifications. Whenever the need for clarification results in a change, such issues will result in a written

change order prior to any work being completed. No work will be approved except that which is established in the contract and in written approved change orders. All work orders changes must be approved by Cameron County. Any unforeseen or hidden condition should be reported to Cameron County immediately. Any item that conflicts with these standards should be reported immediately by the contractor.

- C. Whenever possible the contractor will make an effort to minimize the impact of the construction on the homeowner. Work shall be carried out swiftly and directly. Electric, water, sewer and gas service will not be interrupted for more than twelve (12) hours without written approval by the home owner. Heat will be provided at all times during winter months. Doors, windows and any other large openings or air leaks will be repaired on the same day. The work area shall be secured at all times.
- D. The work area shall be left clean and free from clutter at the end of each day and the contractor, not the home owner will be responsible for storage of materials and tools.
- E. Prior to the commencement of construction the homeowner will arrange to move and store all valuable personal property that might be damaged during the course of construction. If property is damaged through negligence of the contractor, arrangements will be made by the contractor to reimburse the homeowner.
- F. The contractor shall use the site and its facilities only for specified construction. The electrical, water, sewer and gas systems shall be used only for construction purposes and during the construction phase only.
- G. Any discrepancy in the contract documents shall be brought to the attention of Cameron County immediately.
- H. Failure of contractors to meet the Cameron County's criteria can result in:
 - i. Contractors not being eligible for payment, and should not become party to any further project or work.
- I. The contracting sequence for housing projects shall be:
Invitation to Bid, Bid Opening, and Contract Award.
 - 1. Within ten (10) days of notification of the contract award, the successful bidder shall provide Cameron County with:
 - i. a list of sub-contractors, and
 - ii. certificates of insurance.
 - iii. Certificates of insurance from the issuing company will show current coverage in the amount stipulated in the contract documents and with a thirty (30) day notice of cancellation of insurance to Cameron County for:

general liability with completed operational coverage, vehicle liability, and statutory workman's compensation (as required).

- iv. A builder's criminal history and history of unsatisfied judgments in evaluating whether an applicant is honest, trustworthy and has the integrity and qualifies to participate in the program. Crimes of moral turpitude may be evaluated on a case by case basis.

- 2. The contractor shall begin work within ten (10) days of receiving the issuance of the Notice to Proceed. *Setups must be approved by TDHCA before a release of Notice to Proceed or authorization is issued to start construction.*

13. CONTRACTOR REQUIREMENTS

- A. The number of work days shall be set out in the contract. Upon completion of the work acceptance Cameron County homeowner, the Certificate of Final Inspection is issued and the Warranty Period begins.
- B. Thirty (30) days after the Certificate of Final Inspection date, the statutory amount retained is released to the contractor, except in cases where it is determined that the retained should not be released.
- C. All payment requests will be made in writing by the contractor to Cameron County and will include a list of items, their costs, and a sum of the item costs.
- D. The work to be paid should be based solely on completed items from the schedule of values submitted by the contractor prior to construction or the Itemization of Bid Form if no schedule is submitted.
- E. Cameron County will inspect such work as soon as possible from receipt of such request.
- F. No advanced funds shall be requested/paid under this Program. Upon 100% completion, contractor may request the Final Draw (90%/10%). If the Final Inspection fails, the contractor cannot request a final draw. A 10% retainage of the project budget will be withheld for 30 days (except with MHUs) following Final Inspection. If any/all warranty items become known during this period, all work must be repaired/fixed before the retainage will be released. Cameron County will provide a completed Contractor Request for Payment form to the Contractor to sign for the work which payment is authorized and submit all required draw documents. Payments will be made thereafter.
- G. All materials used shall be new (unless otherwise specified in the Project Manual) and of good quality. All work shall be done with skilled craftsmen and accomplished with care.

- H. Upon completion of construction, the contractor will:
 - i. remove all construction debris from the site;
 - ii. clean and mop all resilient floors;
 - iii. clean all new and existing paint from other finished surfaces including window glass and mirrors;
 - iv. leave all newly installed items in operating condition;
 - v. light gas water heater pilots, stove/oven pilots and gas heater pilots;
 - vi. start all other electrical and mechanical systems;
 - vii. put all hardware in operating condition;
 - viii. deliver new keys to Cameron County if hardware is installed.
 - ix. Cameron County will provide a warrantee to the homeowner.
- I. Discovery of defective elements made known to the contractor before or during the construction process shall be brought to the immediate attention of Cameron County in writing. When repairs are made, the repairs shall reasonably match the surrounding materials in original design and dimension as approved by the implementing non-profit.
- J. No other work shall be done without approval to the project other than the work agreed upon in writing by the homeowner, Cameron County and contractor or as necessary to remove immediate health and safety dangers during the construction phase.
- K. Contractor will be responsible for determining utility needs, to provide adequate sanitary facility(s) and to safely operate equipment on site.

14. PRE-CONSTRUCTION CONFERENCE

- A. Cameron County shall conduct a pre-construction conference with the contractor and the recipient. The terms of the proposed contract will be explained along with Cameron County and the applicant. Additionally, Cameron County will explain the inspection procedures, completion requirements, and payment procedures.
- B. Prior to adjourning the pre-construction conference, Cameron County shall present the contract to be executed by the homeowner and the contractor. Upon executing the rehabilitation contract, the contractor will be provided with a written Notice to Proceed. This Notice to Proceed will allow for a ten (10) day start period from the date of the notice and shall also stipulate the number of days allowed for completion of the work. TDHCA must approve the setup before the Notice to Proceed can be released.
- C. Each rehabilitation contract executed with a contractor shall contain a completion date and provide for liquidated damages if the contractor fails to meet such completion date.

15. INSPECTIONS AND PAYMENTS

- A. Cameron County will assist the homeowner in ensuring that all contracted work is completed prior to payment and that such work was performed in an acceptable manner. To accomplish this, Cameron County will conduct an inspection at work write up and a progress inspection at 50 to 75% completion, any additional inspections deemed necessary, and a final inspection upon completion of all of the work, noting deficiencies in a written report and keeping these reports in the project case files.
- B. The contractor may submit two interim draws upon request upon completion of completed items in the specification write-up list. Upon 100% completion, the contractor may request a final draw (90%/10%) The contractor will only be paid for the work completed, not for stored materials. Advancing Program Funds to a contractor is prohibited. A ten percent (10%) retainage will be withheld from each payment request, and such retainage will not be released until *final payment is made or until the 30th day after final payment is made.*
- C. Where applicable, permits may be required for work to be done on Mechanical/Electrical/Plumbing/Structural (MEPS) systems. Any MEPS work that requires a permit must be performed under the supervision of a licensed tradesman and the work shall be inspected by a licensed inspector for the appropriate trade to ensure that work is in full compliance with applicable local codes.
- D. Where applicable, building permits will be required for building construction work and the building inspector for that area will inspect the job in accordance with the area's normal building inspection requirements.

16. CONTRACT COMPLETION

- A. Upon completion of the contracted rehabilitation work, an inspector shall conduct a final inspection of the structure when requested by the contractor. If the inspection reveals that corrective work is required on any improvement covered in the contract, the Inspector shall prepare a punch list for the contractor. After all work, including the punch list, has been completed to the satisfaction of the Inspector and the homeowner, and the work is accepted, Cameron County shall issue a fully executed Certificate of Completion and Final Inspection.
- B. Upon completion of the Certificate of Final Inspection, contractor shall ensure that the following documents are submitted to Cameron County including but not limited to the following:
 - i. statements from all subcontractors involved in the project;

- ii. Contractor's itemized Final Invoice form;
- iii. Contractor's Non-Kickback Certification;
- iv. Release of Liens; and
- v. all contractor and manufacturer warranties.
- vi. After receipt of the required draw documents, Cameron County shall cause final payment to occur. Upon delivery the contractor shall execute the Receipt of Final Payment, and this will effectively constitute completion of the project.

- C. After 30 days from final completion, Cameron County shall conduct a post-inspection along with the homeowner and contractor. If no discrepancies are found during the post-inspection, Cameron County will approve the release of the 10% retainage to the contractor. However, if discrepancies are noted, Cameron County shall withhold retainage. Upon completion of this work, another post-inspection shall be conducted, and if the work is completed to the satisfaction of the implementing non-profit and the homeowner, the implementing non-profit shall approve the release of the withheld retainage; otherwise, the same process is repeated.
- D. Following the completion and acceptance of the rehabilitation work, Cameron County shall take "after" pictures (interior and exterior, front and back) to provide a photographic record of the structure and improvements accomplished.
- E. Contractor Warranties
 - i. All work performed by the contractor shall be guaranteed for a period on one (1) year. Such warranty shall be stipulated in the construction contract between the contractor and the homeowner. For a period of one (1) year, the homeowner may require the contractor to correct defects or problems arising from his or her work under this contract. Should the contractor fail to do so, the homeowner may take any necessary legal recourse as prescribed in the contract. A reasonable amount of time shall be given to correct the problem, but the contractor shall contact the homeowner within two (2) business days. Should the contractor fail to do so, the homeowner may take any necessary legal recourse as prescribed in the construction contract.

17. FILES AND RECORDS

- A. Cameron County shall maintain accurate files and records on each applicant. All pertinent documentation must be maintained for five years following contract close-out. Files and financial records must be made available upon request. Such files shall be open for public inspection in accordance with the Texas Public Information Act, and be available at Cameron County offices and in the County.

18. GRIEVANCE PROCEDURE

- A. Each applicant or participant shall have the right to appeal any decision of or grievance to the implementing non-profit, provided such appeal is made within

fifteen (15) days from when the decision has been rendered or the grievance occurred and/or became known to the applicant. If the applicant/participant is not satisfied with the decision, he/she may then appeal his or her grievance to the Executive Director provided such appeal is made within fifteen (15) days from the date of the decision of the implementing non-profit. The decision of the Executive Director on behalf of the implementing nonprofit shall be final.

In the event an applicant or participant is still not satisfied with the decision of Cameron County, such applicant or participant may appeal to the appropriate staff of the TDHCA.

In the event an applicant or participant is still not satisfied with the decision of the staff of the TDHCA, such applicant or participant may then appeal to TDHCA governing board. The decision of the TDHCA governing board shall be the final decision on matters of the Housing Recovery Program.

B. Employees Not To Be Held Liable

i. No member, officer, agent, or employee of the Cameron County shall be personally liable concerning any matters arising out of or in relation to, the commitment of Program funds with regard to feasibility or viability of the proposed project.

C. Changes, Waivers And/Or Conflicts

i. The County shall have the right to change, modify, waive or revoke all or any part of these guidelines if approval has been granted by the Department.

ii. No member of the governing body of Cameron County nor their family members and no other official, employee, or agent of the Cameron County who exercises policy or decision-making function or responsibilities in connection with the planning and implementation of this Program nor their family members shall be eligible for assistance.

iii. No member of the governing body of the County nor their family members and no other official, employee, or agent of the County who exercises policy or decision-making function or responsibilities in connection with the planning and implementation of this Program nor their family members shall be eligible for rehabilitation assistance.