



CHAPTER C

Housing Rehabilitation

Housing Rehabilitation

- Program objective is to bring single-family, owner occupied homes up to Section 8 Housing Quality Standards.
- Funding limit is \$50,000 per home.
 - Previously, limit was \$25,000 per home.
- Low-to-moderate income homeowners in targeted areas may apply for assistance according to the adopted Housing Rehabilitation Guidelines.

Housing Rehabilitation Guidelines

- The Grant Recipient must submit a draft of proposed Housing Rehabilitation Guidelines with their grant application.
- TDA must review and approve Guidelines before they are implemented.
- **The Grant Recipient's local governing** body must officially adopt the Guidelines.
- Grant Recipient must administer the local program according to provisions of the adopted Guidelines.

Homeowner Forgivable Loans

Assistance is provided through non-interest, five-year forgivable loans executed between the Grant Recipient and homeowner.

- ◆ Homeowner is required to live in the home for at least five years after receiving assistance.
- ◆ Each year 20% of loan balance is forgiven.
- ◆ The Grant Recipient must provide homeowners information that clearly explains the forgivable loan process and requirements.

Rehabilitation vs Reconstruction

Demolition and reconstruction may be appropriate where condition of home is very poor and the estimated cost of rehabilitation to achieve minimum HQS exceeds budget.

- ✓ Reconstruction requires a written feasibility analysis for approval by TDA.
- ✓ Reconstructed home must be on the same site and must be equivalent to the replaced structure.
- ✓ Reconstruction of a manufactured home will consist of a replacement manufactured home.

Lead-Based Paint Requirements

Homes built after 1977 are exempt from HUD lead-based paint regulations and procedures.

- Homeowner and the Grant Recipient's housing rehabilitation coordinator must certify pre-1977 construction of home on the *Status of Compliance with Lead-Based Paint Regulations* (new Form C-2a).
- For any other qualifying exemptions under 24 CFR §35.115, the Grant Recipient must complete the *Certification of Lead-Based Paint Exemption (new Form C-2b)*

Lead-Based Paint Requirements (cont'd)

Level of Hazard Reduction is based on the amount of federal assistance per housing unit:

- For all levels, homeowners must receive a HUD/EPA lead hazard information pamphlet, *Protect Your Family from Lead in Your Home*
- Up to \$5,000 – Lead safe work practice, paint testing on disturbed surfaces, and clearance by certified examiner.
- Between \$5,000 and \$25,000 – Risk assessment, paint testing, interim controls, and clearance by certified examiner.
- Over \$25,000 - Risk assessment, abatement by qualified contractor, and clearance by a certified examiner.

Steps in Housing Rehabilitation Project

- Adopt Guidelines and Appoint a Housing Rehabilitation Coordinator
- Conduct an environmental review of the TxCDBG contract target area.
 - ◆ Conduct site specific review of applicable federal laws and authorities once homes are selected.
- Screen applications for assistance
- Submit work write-ups for each home
 - ◆ Assessment of required work must be conducted by a qualified inspector licensed by the Texas Real Estate Commission or who has a minimum of five (5) years relevant construction experience.
- Execute promissory note for five-year forgivable loan with homeowner.
- Competitively procure qualified contractor(s)
- Conduct walk-through inspection with homeowner and contractor.
- Execute Certificate of Construction Completion

Common Pitfalls

- ☑ Execute promissory notes for funding before commencing construction.
- ☑ Follow the adopted the Rehabilitation Guidelines.
- ☑ Recordkeeping - maintain complete, organized case files for each assisted home.
- ☑ Address homeowner complaints about **construction work within the contractor's one-year warranty period.**

What's New

- Amount of rehabilitation assistance per home increased from \$25,000 to \$50,000.
- Reconstruction permitted with TDA approval.
- Lead-based paint exemption forms, C-2a and C-2b.
- Person conducting work write-ups must demonstrate acceptable qualifications.



Questions

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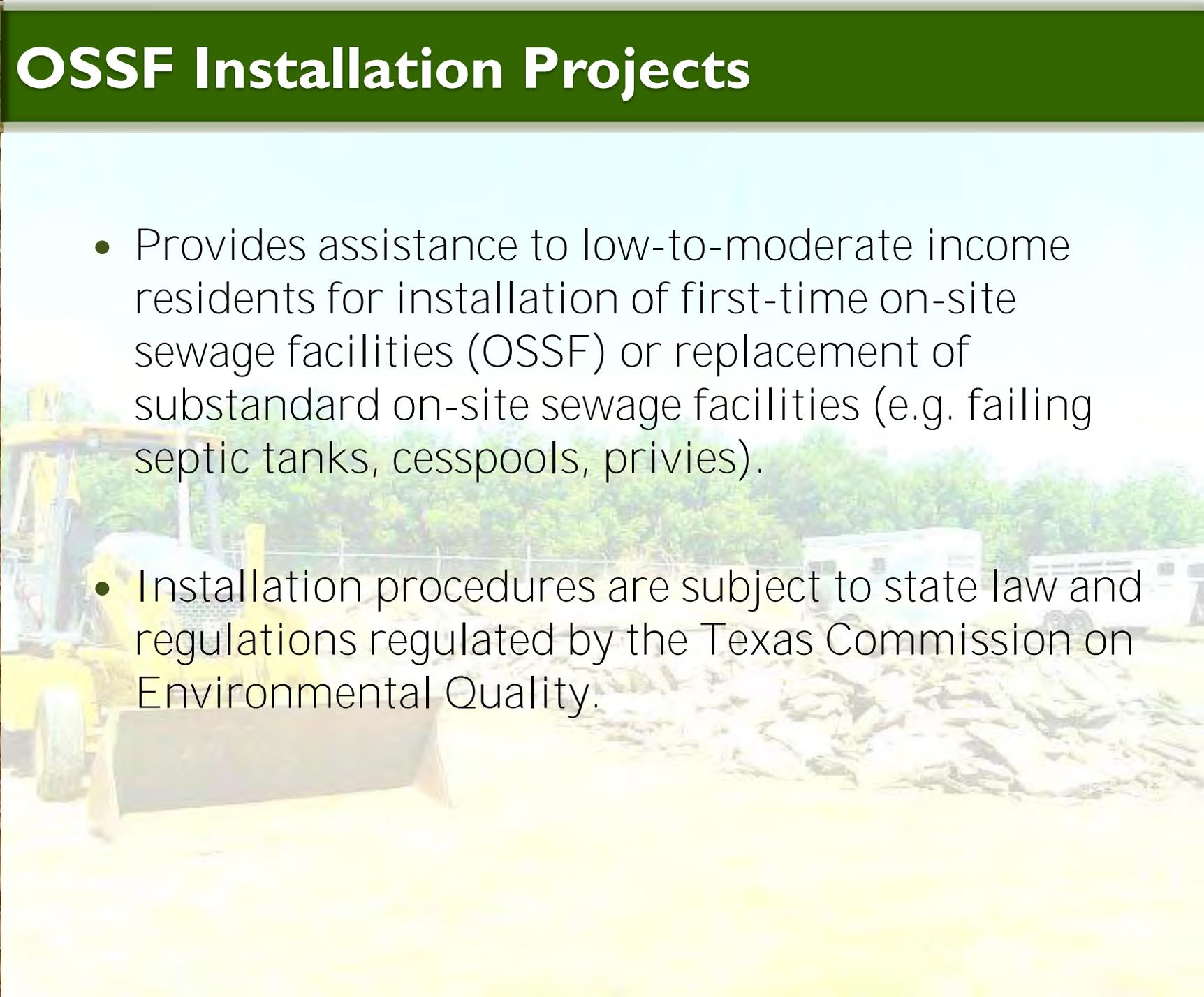
CHAPTER C

PART II

OSSF

OSSF Installation Projects

- Provides assistance to low-to-moderate income residents for installation of first-time on-site sewage facilities (OSSF) or replacement of substandard on-site sewage facilities (e.g. failing septic tanks, cesspools, privies).
- Installation procedures are subject to state law and regulations regulated by the Texas Commission on Environmental Quality.



OSSF Guidelines

Similar to Housing Rehabilitation Guideline requirements:

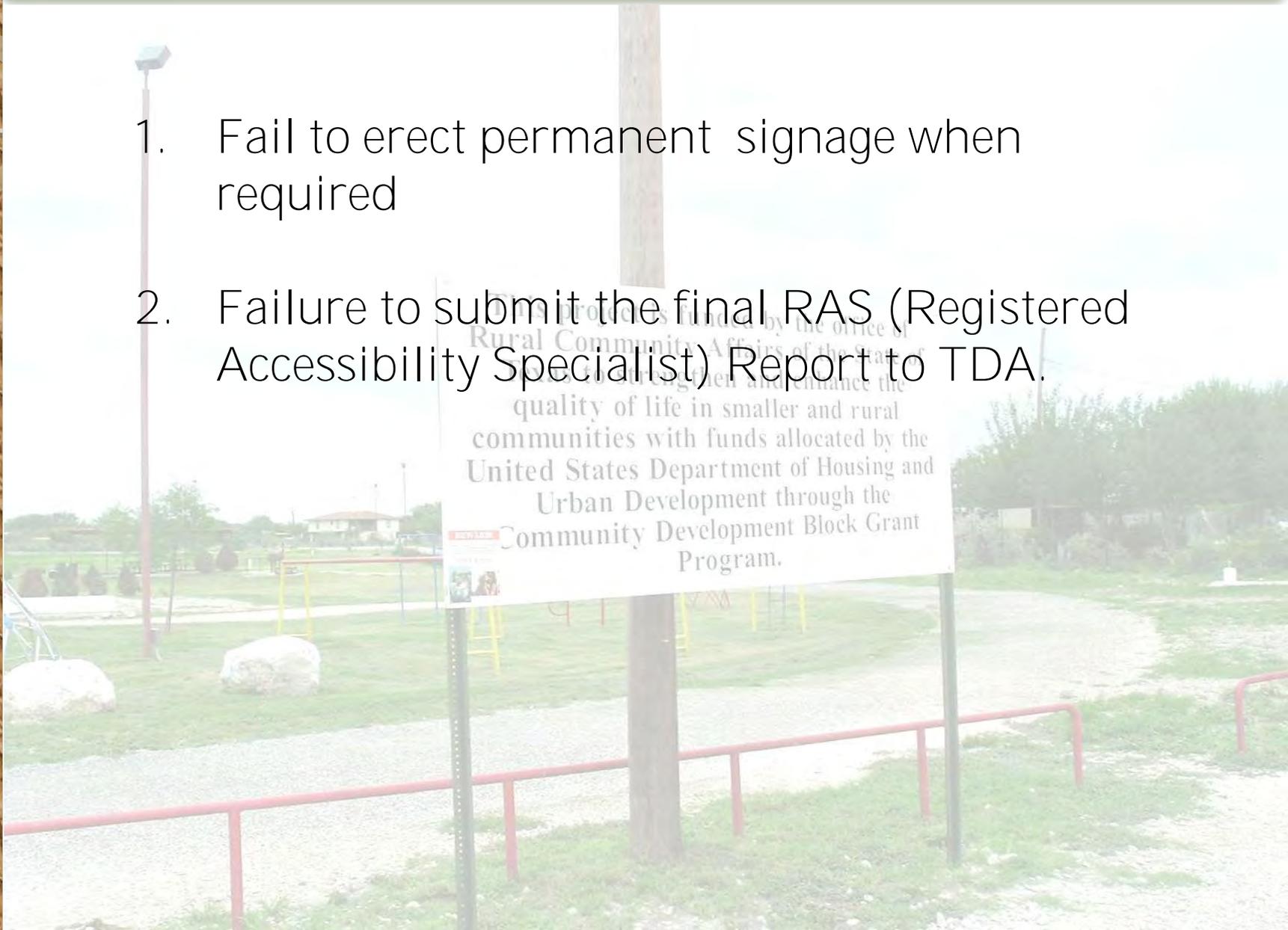
- ✘ The Grant Recipient must submit a draft of proposed OSSF Guidelines with their grant application.
- ✘ TDA must review and approve the Guidelines before they are implemented.
- ✘ **The Grant Recipient's local governing body must officially adopt the Guidelines.**
- ✘ Grant Recipient must administer the local program according to provisions of the adopted Guidelines.

Steps in Administration of OSSF Project

- ✓ Adopt Guidelines and Appoint a Housing Rehabilitation Coordinator
- ✓ Conduct an environmental review of the TxCDBG contract target area.
 - Conduct site specific review of applicable federal laws and authorities once homes are selected.
- ✓ Screen applications for assistance
- ✓ Conduct site evaluations of proposed OSSF installation sites by qualified soil evaluator.
- ✓ Competitively procure contractor (must be a licensed OSSF installer).
- ✓ TCEQ approved permitting authority issues OSSF permit.
- ✓ Abandoned septic system must be adequately decommissioned.
- ✓ Execute Certificate of Construction Completion.

Common Pitfalls

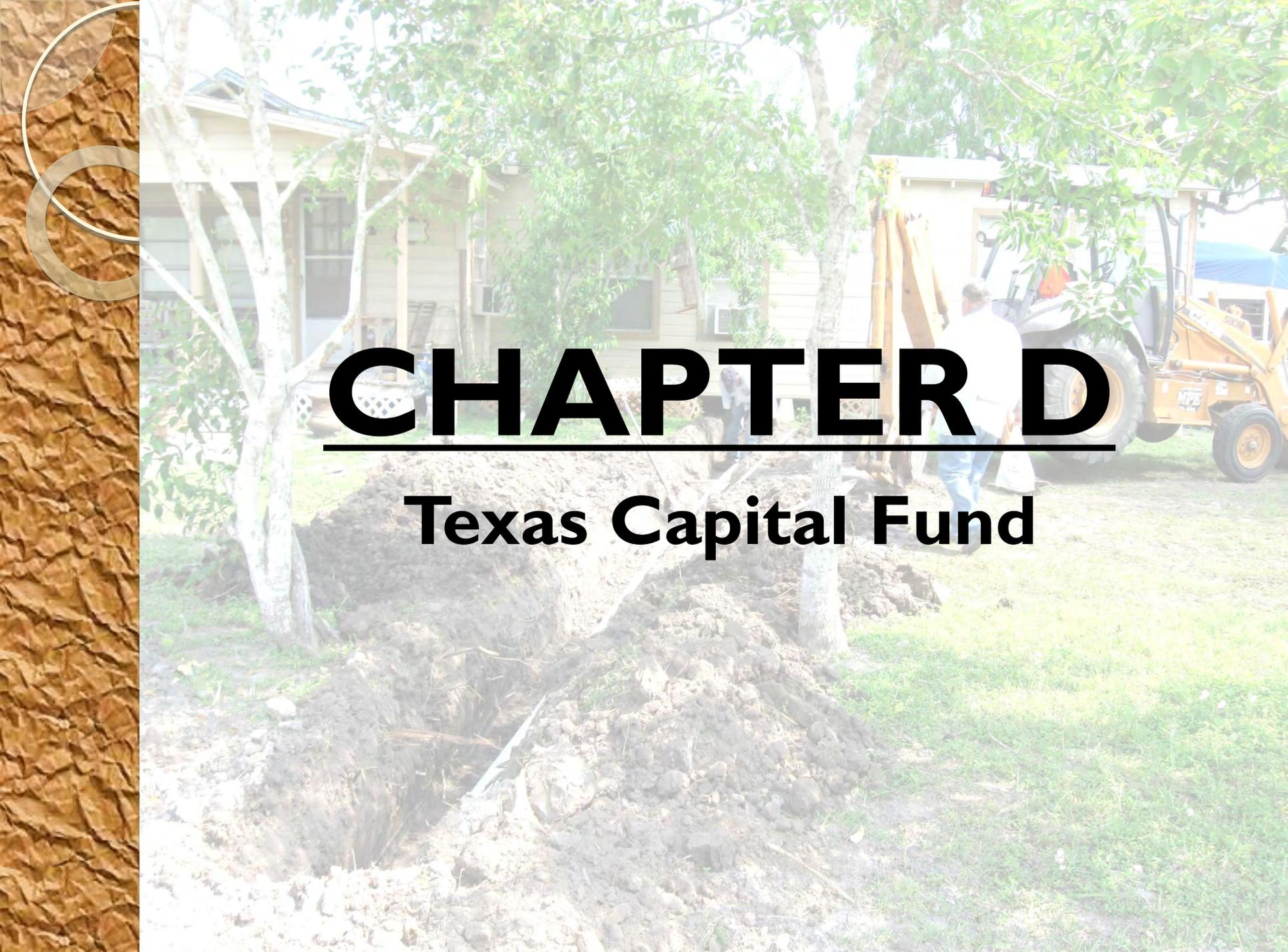
1. Fail to erect permanent signage when required
2. Failure to submit the final RAS (Registered Accessibility Specialist) Report to TDA.





Questions

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CHAPTER D

Texas Capital Fund

Texas Capital Fund – Section D

Infrastructure & Real Estate Programs

- Provide funds to eligible Grant Recipients for infrastructure and/or real estate improvements that support a specific business (either a for-profit or a non-profit entity) that is expanding or beginning operations in the **Grant Recipient's jurisdiction.**

Eligible Use of Funds

- Acquiring, constructing, reconstructing, rehabilitating, or installing commercial or industrial buildings, structures, and other real property improvements;
- Railroad spurs or similar extensions by local Grant Recipients and sub-recipients;
- Public Infrastructure;
- Assisting a private, for-profit business; and
- Providing economic development services in connection with otherwise eligible CDBG economic development activities

LMI (Low/Mod) Jobs National Program Objectives

- Economic development activities designed to create or retain permanent, full-time jobs where at least 51% of the jobs involve the employment of low and moderate income (LMI) persons may qualify under the Job Creation or Retention criteria of the Low/Mod Benefit National Program Objective.
- The business and the Grant Recipient may elect to document income by certifications, referrals, or census tract data. Income limits can be obtained from TDA.

Documenting Jobs

Job creation requirements are computed on a Full Time Equivalent (FTE) basis as follows:

- ➔ Full time employee status requires a minimum work schedule of 35 hours per week.
- ➔ Part time employee status requires a minimum work schedule of 20 hours per week – two part time employees equal one FTE.

For an employee to be considered towards job creation requirements, the person must:

- ➔ Be employed at least 30 days prior to the submittal of closeout documents or contract expiration, whichever comes first; and
- ➔ Be employed at the location identified in the TxCDBG contract Performance Statement. Any request to train new employees at an alternate location prior to beginning work at the contract location must have prior written approval from TDA.

Documenting Jobs (Cont.)

Jobs **not** eligible to meet the National Objective include:

- ◆ Seasonal jobs,
- ◆ Temporary jobs,
- ◆ Contract labor jobs,
- ◆ Jobs transferred from other locations,
and
- ◆ Jobs held by principals of the Benefitting Business(es).