

July 24, 2025

Item No. 7.4.

Resolution to approve the 2025-2029 Consolidated Plan

Sponsor: Raney Whitwell, Community Development Analyst

Reviewed By CBC:

Agenda Caption: Presentation, discussion, and possible action regarding a resolution adopting the 2025-2029 Consolidated Plan.

Relationship to Strategic Goals:

Financially Sustainable City
Core Services and Infrastructure
Neighborhood Integrity
Diverse Growing Economy

Recommendation(s): Staff Recommends Approval

Summary: This item requests approval of the proposed 2025 - 2029 Consolidated Plan.

Community development programming for the City of College Station is currently directed by the 2020-2024 Consolidated Plan, which will expire on September 30, 2025. The U.S. Department of Housing and Urban Development requires each grantee to develop a Consolidated plan that includes a community needs assessment, housing market analysis, housing conditions analysis, and specific goals and objectives to establish a unified vision for actions that will be carried out for the five years.

The Consolidated Plan, Annual Action Plan, and budget must be delivered to HUD no later than August 16, 2025. Therefore, this information is presented prior to Council's consideration of the overall City budget. Adoption of the Plan by resolution also establishes a Community Development Program as defined by the Texas Local Government Code and provides authority for the City Manager to sign all required applications, certifications, evaluations, and other forms required by U. S. Department of Housing and Urban Development for all Community Planning and Development Grant Programs for the Program Year 2025 on behalf of the City of College Station.

A Public Hearing was held on March 18, 2025, to gather citizen input on community needs, fair housing, and potential goals and objectives to help guide the development of the plan. The proposed plan was then presented to City Council on July 10, 2025, during which a second Public Hearing was held to provide the public with an opportunity to comment on the proposed plan.

A public notice was published in The Eagle to inform residents about the meetings and the opportunity to review and comment on the proposed plan. The plan is available for electronic review on the Community Development webpage, and printed copies can be accessed at the Planning and Development Services office, the City Secretary's office, and the Larry J. Ringer Public Library. The public comment period runs from July 1, 2025, through August 1, 2025. Staff will be available to answer any questions regarding the proposed plan.

Budget & Financial Summary: See attached summaries for the proposed 2025-2029 Consolidated Plan. This plan corresponds to the FY 2026 Annual Action Plan and FY 2026 Community Development Budget for CDBG and HOME funds.

Attachments:

1. Attachment 1- FY 2025 Plan Development Process Summary
2. Attachment 2 - 2025-2029 Community Development Goals
3. Attachment 3 - Resolution Approving 2025 - 2029 Consolidated Plan

Attachment 1: Consolidated Plan and Budget Development Process Summary and Timeline, FY 2025

Event	Date
Pre-proposal Workshop for Public Service Agencies	Jan. 15, 2025
Agency Consultations	Jan. – Mar.
Community Needs Survey	Feb. & Mar.
Nonprofit Provider Survey	Feb. & Mar.
Medical Provider Focus Group	Feb. 27, 2025
Public hearing on Consolidated Plan and Budget	Mar. 18, 2025
Housing Focus Group	Mar. 20, 2025
Economic Development Focus Group	Mar. 26, 2025
College Station ISD Consultation	Mar. 27, 2025
CDBG Public Service Agency Funding Proposals Due	Apr. 16, 2025
CDBG Public Service Agency Funding Review Committee	Apr. 21, 2025 May 12, 2025 May 19, 2025
30-Day Public Comment Period Begins	July 01, 2025
First Presentation of Consolidated Plan and Budget to City Council	July 10, 2025
Request Council Approval by Consent Agenda of 2025 – 2029 Consolidated Plan, PY2025 (FY2026) Annual Action Plan, and FY2026 Community Development Budget	July 24, 2025
30-Day Public Comment Period Ends	July 31, 2025
Due to HUD No Later Than	Aug. 16, 2025

Attachment 2: PY 2025-2029 Community Development Goals

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Rental Housing - Rehabilitation	2025	2029	Affordable Housing Community Housing Dev. Organization	City-wide	Rental Housing Special Needs	CDBG: \$640,000 HOME: \$1,382,566	Rental units Acquired and Rehabilitated: 6 Household Housing Unit
2	Owner Housing - Rehabilitation/Reconstruction	2025	2029	Affordable Housing	City-wide	Owner-Occupied Housing	CDBG: \$1,080,000	Homeowner Housing Rehabilitated: 36 Household Housing Unit
3	Homeownership - Down Payment Assistance	2025	2029	Affordable Housing	City-wide	Homeownership	CDBG: \$320,000 HOME: \$1,610,000	Direct Financial Assistance to Homebuyers: 24 Households Assisted
4	Homelessness - TBRA Security Deposits	2025	2029	Homeless	City-wide	Rental Housing Homelessness Special Needs	HOME: \$164,692	Tenant-based Rental Assistance / Rapid Rehousing: 224 Households Assisted
5	Public Services	2025	2029	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	City-wide	Homelessness Special Needs Public Services	CDBG: \$986,261	Low/Mod Housing Benefit: 6185 Public Service: 3290
6	Public Facilities	2025	2029	Non-Housing Community Development	City-wide	Public Facilities & Infrastructure	CDBG: \$1,919,035	Public Facility or Infrastructure Activities Other Than Low/Moderate Income Housing Benefit: 52,825 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
7	Program Administration and Compliance	2025	2029	Non-Housing Community Development	City-wide	Program Administration and Compliance	CDBG: \$1,229,671 HOME: 237,858	N/A
8	Section 108 Loan Financing Activities	2025	2029	Affordable Housing	City-wide	Rental Housing - Rehabilitation	CDBG: \$850,000	N/A
9	Housing Services	2025	2029	Affordable Housing	City-wide	Homelessness	CDBG: \$482,827	Persons Assisted: 50

Goal Descriptions

1	Goal Name	Rental Housing - Rehabilitation
	Goal Description	Encourage and facilitate the rehabilitation of rental units.
2	Goal Name	Owner Housing - Rehabilitation/Reconstruction
	Goal Description	Encourage and facilitate maintenance of residential units by low- and moderate-income homeowners through minor repair grants (CDBG).
3	Goal Name	Homeownership - Down Payment Assistance
	Goal Description	Encourage and support programs and projects that provide financial assistance to low- and moderate-income households purchasing existing or new affordable homes.
4	Goal Name	Homelessness - TBRA Security Deposits
	Goal Description	Preventing homelessness through the provision of assistance for low-income households to secure and sustain safe, decent affordable housing. This is a coordinated effort among affordable housing providers and the City to provide security deposit assistance to eligible households.

5	Goal Name	Public Services
	Goal Description	Encourage and support nonprofit providers of homeless/AIDS patient programs, senior services, services for persons with disabilities, legal services, youth services, transportation services, substance abuse services, services for victims of domestic violence, employment training, crime awareness, fair housing, tenant/landlord counseling, child care services, health services, abused and neglected children services, mental health services, screening for lead based paint/lead hazards, subsistence payments, homebuyer downpayment assistance, rental housing subsidies, security deposits, housing counseling, neighborhood clean-ups, food banks, housing information and referral, housing counseling to support homebuyer downpayment assistance, or other public services to deliver programs to low- and moderate-income families and individuals.
6	Goal Name	Public Facilities
	Goal Description	Rehabilitation and expansion of street infrastructure, sidewalks, other infrastructure, including water and sewer lines and flood drain improvements, or park facilities including green space, neighborhood parks, and recreation facilities in primarily low- to moderate-income areas.
7	Goal Name	Program Administration and Compliance
	Goal Description	Oversee and facilitate grant programs.
8	Goal Name	Section 108 Loan Financing Activities
	Goal Description	The City of College Station, in conjunction with the affordable housing provider LULAC Oak Hill, intends to fulfill its contractual obligations to its Section 108 financing agreement throughout the duration of this Strategic Plan. To that end, the City anticipates making quarterly interest payments and assisting LULAC Oak Hill to make principal payments for the duration of the loan's term.
9	Goal Name	Housing Services
	Goal Description	Housing services, except Housing Counseling, under 24 CFR 5.100, in support of the HOME Program, eligible under 24 CFR 570.201(k). At the average funding level, housing facilitation services to match potential tenants at or below 60% AML and homeowners will be provided to ten (10) housing seekers per fiscal year, or fifty (50) total instances over the duration of this Strategic Plan.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, APPROVING A FIVE-YEAR CONSOLIDATED PLAN AND ESTABLISHING A COMMUNITY DEVELOPMENT PROGRAM AS DESCRIBED IN CHAPTER 373 THE TEXAS LOCAL GOVERNMENT CODE.

WHEREAS, the City Council of the City of College Station, Texas, desires to utilize federal Community Development Block Grant and HOME Investment Partnership Grant funds to:

(1) improve the living and economic conditions of persons of low and moderate income; (2) benefit low or moderate income neighborhoods; (3) aid in the prevention or elimination of slum and blighted areas; and (4) meet other urgent community development needs; and

WHEREAS, the City Council of the City of College Station, Texas, has: (1) identified areas of the City in which predominantly low- and moderate-income persons reside; (2) established areas in which community development activities are proposed; (3) prepared and adopted a plan under which citizens may publicly comment on the proposed community development activities; (4) conducted public hearings on the proposed activities; and (5) adopted the community development program by resolution; now, therefore;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That the City Council hereby approves the 2025-2029 Consolidated Plan and designates the City Manager or his designee the signature authority for all applicable and required documents, and;

PART 2: That the City Council hereby approves the adoption of the above referenced Community Development Program as defined and described in Chapter 373 of the Texas Local Government Code, also known as the Texas Community Development Act of 1975, and;

PART 3: That this resolution shall take effect immediately from and after its passage.

ADOPTED this 24th day of July, A.D. 2025.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:

City Attorney

July 24, 2025

Item No. 7.5.

Resolution to approve the FY 2026 Annual Action Plan and FY 2026 Community Development Budget

Sponsor: Raney Whitwell, Community Development Analyst

Reviewed By CBC: City Council

Agenda Caption: Presentation, discussion, and possible action regarding a resolution adopting the FY 2026 Annual Action Plan and FY 2026 Community Development Budget.

Relationship to Strategic Goals:

Financially Sustainable City
Core Services and Infrastructure
Neighborhood Integrity
Diverse Growing Economy

Recommendation(s): Staff Recommends Approval

Summary: This item requests approval of the proposed FY2026 (PY2025) Annual Action Plan, and FY2026 Community Development Budget.

The City is required to submit a one-year Annual Action Plan describing projects, activities, and budget to be funded with the community development grants received. Annual Action Plan activities must correspond to the 5-Year Consolidated Plan. The total grant funds available next year are \$4,081,342.56 and includes Community Development Block Grant (CDBG) funds in the amount of \$2,589,107.80 and HOME Investment Partnership Grant (HOME) funds in the amount of \$1,492,234.76. These amounts include carry-over funds from previous years, recaptured funds, and new year funds. Program Year 2025 funding will be available on 10/1/2025.

CDBG and HOME funds may only be used to: (1) benefit low-and moderate-income persons; (2) aid in the elimination of slum and blight influences; and/or (3) meet an urgent community need. Further, CDBG funds may be used to meet local needs through a wide range of community development activities, while HOME funds may only be used for affordable housing activities.

A Public Hearing was held on March 18, 2025, to gather citizen input on community needs, fair housing, and potential goals and objectives to help guide the development of the plan. The proposed plan and budget were then presented to City Council on July 10, 2025, during which a second Public Hearing was held to provide the public with an opportunity to comment on the proposed plan.

A public notice was published in The Eagle to inform residents about the meetings and the opportunity to review and comment on the proposed plan and budget. The plan is available for electronic review on the Community Development webpage, and printed copies can be accessed at the Planning and Development Services office, the City Secretary's office, and the Larry J. Ringer Public Library. The public comment period runs from July 1, 2025, through August 1, 2025.

Staff will be available to answer any questions regarding the proposed plan and budget.

Budget & Financial Summary: See attached financial summaries for the proposed FY 2026 Annual Action Plan and FY 2026 Community Development Budget for CDBG and HOME funds.

Attachments:

1. Attachment 1 -FY 2025 Community Development Budget
2. Attachment 2 - Resolution Approving FY 2026 Annual Action Plan and Budget

Attachment 4: FY 2025 Community Development Budget

PROJECT	CDBG & HOME CARRY-OVER	CDBG & HOME NEW ALLOCATIONS	CDBG & HOME TOTAL PROPOSED
Owner-Occupied Rehabilitation	\$46,252.62	\$113,747.38	\$160,000.00
Rehabilitation Administration	\$80,000.00	\$0.00	\$80,000.00
Housing Services	\$0.00	\$85,680.00	\$85,680.00
Acquisition	\$355,691.38	\$93,572.38	\$449,263.76
Homebuyer Assistance (DAP)	\$360,870.38	\$449,129.62	\$810,000.00
CHDO	\$285,000.00	\$0.00	\$285,000.00
Tenant Based Rental Assistance – Deposits	\$14,955.00	\$45,445.00	\$60,400.00
Public Service Agency	\$64,008.58	\$184,450.00	\$248,458.58
Public Facility	\$1,015,486.64	\$423,548.73	\$1,439,035.37
Section 108 Loan Financing Activities	\$153,688.11	\$16,311.89	\$170,000.00
Grant Administration	\$0.00	\$293,505.00	\$293,505.00
Recaptured Funds/ Program Income		CDBG HOME	\$0 \$11,246.05*
Total Community Development Budget			\$4,081,342.71

*Captured in Tenant Based Rental Assistance – Deposits

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF COLLEGE STATION, TEXAS, APPROVING THE PROGRAM YEAR 2025 (FY 2026) ACTION PLAN AND BUDGET ALLOCATING COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM FUNDS.

WHEREAS, the City of College Station is entitled to receive \$1,229,672 in Community Development Block Grant (CDBG) funds and \$475,718 in Home Investment Partnership Program (HOME) funds from the United States Department of Housing and Urban Development (HUD) in Program Year 2025 and has prepared a Program Year 2025 (FY 2026) Action Plan and Community Development Budget as required to secure these funds; and

WHEREAS, the City of College Station, Texas, has a Five-Year Consolidated Plan that has been approved by both HUD and the City that guides the development of each year's Action Plan and Budget; and

WHEREAS, the City of College Station, Texas, has an established Community Development Program under Chapter 373 of the Texas Local Government Code that (1) identifies areas of the City with concentrations of low- and moderate-income persons; (2) establishes areas in which program activities are proposed; (3) provides a plan under which citizens may publicly comment on activities; and (4) requires public hearings on program activities; and

WHEREAS, the City of College Station has provided adequate information to the citizens and an opportunity to participate in the development of the City's Program Year 2025 (FY 2026) Action Plan and Community Development Budget; and

WHEREAS, the City Council acknowledges that the adoption of the Program Year 2025 (FY 2026) Action Plan and Community Development Budget is in the best interest of the City and is for the purpose of securing additional community development resources for the primary benefit of low and moderate income citizens; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That the City Council hereby approves the Program Year 2025 (FY 2026) Action Plan and Community Development Budget which serves as the City's application to HUD for CDBG and HOME funds;

PART 2: That the City Council hereby authorizes and designates the City Manager or his designee to sign all required applications, certifications, evaluations, and other forms required by HUD for all Community Planning and Development Grant Programs for the Program Year 2025 (FY 2026) on behalf of the City of College Station.

PART 3: That this resolution shall take effect immediately from and after its passage.

ADOPTED this _____ day of July 2025.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:

City Attorney

July 24, 2025

Item No. 7.6.

Community Development Program Guidelines Amendment

Sponsor: David Brower

Reviewed By CBC: City Council

Agenda Caption: Presentation, discussion, and possible action regarding a resolution amending the Community Development Program Guidelines.

Relationship to Strategic Goals:

Financially Sustainable City

Neighborhood Integrity

Diverse Growing Economy

Recommendation(s): Staff Recommends Approval

Summary: Ten sets of guidelines for the City's Community Development Housing Assistance Programs are being presented for consideration of several updates.

Most of the proposed changes are administrative in nature and reflect the recent transition of the Community Development Division to the Planning & Development Services Department earlier this year. Some changes reflect increases in program amounts, such as the liquid asset cap, to track with inflation.

One notable change is in the Down Payment Assistance Program Guidelines, which propose increasing the maximum assistance amount from \$50,000 to \$80,000. This increase is intended to enhance the program's effectiveness and expand its reach to assist more families. Additional details on how this adjustment will improve program accessibility are provided in Attachment 2 – Down Payment Assistance Program Gap Analysis.

Budget & Financial Summary: Budgeted program amounts are approved by Council as part of the Annual Action Plan and Budget.

Attachments:

1. Guideline Update Summary
2. Down Payment Assistance Program Gap Analysis
3. Attachment 1 - Updated Guidelines
4. Resolution Approving Amendments to Housing Program Guidelines

Attachment 1: 2025 Housing Program Guidelines Update Summary

Most of the changes to these 10 Community Development Division guidelines are administrative, reflecting the Divisions recent move to the Planning & Development Services Department. These include changing the Department name to Planning & Development Services and the position that can make staff level administrative changes and decisions.

Below please find a summary of changes made specific to each set of guidelines in order of attachment:

- AHAND through ARD (Rental Acquisition and Disposition Program)
 - No major changes other than housekeeping as indicated above
- Option Relocation Policy
 - Increase the amount of voluntary/optional relocation assistance to \$6,000 from \$4,500. This roughly tracks with inflation from 2015 when the guidelines were created.
 - Removes the requirement for the assistance to only be available when a contractor fails to complete a rehabilitation or construction project in 120 days. This will allow the assistance to be used for shorter periods of time if a housing assistance client needs to temporarily relocate.
- Down Payment Assistance Program
 - Change “homebuyer counseling” to “homebuyer education” to comply with new HUD requirements for Homebuyer Counseling.
 - Add a minimum gap financing gap amount of 23%
 - Increase the liquid asset cap to \$30,000 from \$20,000 to match inflation
 - Increase the Down Payment Assistance amount to \$80,000 from \$50,000
 - Add the requirements for applicants to receive housing counseling from a HUD Certified Housing Counselor working for a HUD Certified Housing Counseling Agency to comply with new HUD Regulations
 - Remove the amount of the non-refundable fee so we can adjust based on the cost of credit reports if need be.

- Demolition / Clearance Program
 - No major changes other than housekeeping as indicated above
- Habitat for Humanity Down Payment Assistance Program
 - Increase the liquid asset cap to \$30,000 from \$20,000 to track with inflation
- Housing / Homeowner Reconstruction Program
 - Remove the amount of the non-refundable fee so we can adjust based on the cost of credit reports if need be.
 - Increase the liquid asset cap to \$30,000 from \$20,000 to track with inflation
- Leveraged Housing Development
 - No major changes other than housekeeping as indicated above
- Housing / Homeowner Minor Repair
 - Increase the liquid asset cap to \$30,000 from \$20,000 to track with inflation
- Housing / Homeowner Rehabilitation
 - Increase the liquid asset cap to \$30,000 from \$20,000 to track with inflation
- Rental Rehabilitation
 - No major changes other than housekeeping as indicated above

Attachment 2 - Down Payment Assistance Program Gap Analysis

The City has adopted homeownership value limits based on 95% of the median purchase price for single family new and existing homes as part of the 2024 Annual Action Plan. The limit for existing is \$302,538 and new is \$379,905.

The following analysis will explore the level of subsidy needed to help households of various sizes and incomes purchase a home at 95%, 80% and 70% of the median purchase price of an existing home. **Households that could not purchase a home under our existing program but could under a maximum amount of \$80,000 will be highlighted in yellow.**

Households that can afford the home under our current program are highlighted in green.

College Station median sales price and percentages for single family homes

	100%	95%	90%	80%	70%
New Construction	\$399,900	\$379,905	\$359,910	\$319,920	\$279,930
Existing	\$318,461	\$302,538	\$286,615	\$254,768	\$222,922

The table below shows the amount of assistance required for households making 80% of the area median income for their size for homes at 90%, 80% and 70% of the median sales price for existing homes with \$50,000 in assistance (indicated in green) and with \$80,000 in assistance (indicated in yellow). (calculations assume 35% of income to PITI payment, 7% interest rate, homestead exemptions, 1.5% buyer contribution, and 4% fee estimate).

Household Size	Household Income	\$286,615 Subsidy Required (90%)	\$254,768 Subsidy Required (80%)	\$222,922 Subsidy Required (70%)
1	\$49,500	\$149,000	\$107,000	\$65,000
2	\$56,550	\$119,000	\$75,500	\$35,000
3	\$63,650	\$87,000	\$45,000	\$5,000
4	\$70,700	\$56,000	\$14,000	\$0
5	\$76,350	\$32,000	\$0	\$0
6	\$80,050	\$14,000	\$0	\$0

The table below shows the amount of assistance required for households making 75% of the area median income for their size for homes at 90%, 80% and 70% of the median sales price for existing homes with \$50,000 in assistance (indicated in green) and with \$80,000 in assistance (indicated in yellow). (calculations assume 35% of income to PITI payment, 7% interest rate, homestead exemptions, 1.5% buyer contribution, and 4% fee estimate).

Household Size	Household Income	\$286,615 Subsidy Required (90%)	\$254,768 Subsidy Required (80%)	\$222,922 Subsidy Required (70%)
1	\$46,406	\$163,000	\$119,000	\$78,000
2	\$53,016	\$133,000	\$89,000	\$49,000
3	\$59,671	\$105,000	\$62,000	\$22,000

4	\$66,281	\$77,000	\$33,000	\$0
5	\$71,578	\$54,000	\$10,000	\$0
6	\$75,047	\$36,000	\$0	\$0

The table below shows the amount of assistance required for households making 70% of the area median income for their size for homes at 90%, 80% and 70% of the median sales price for existing homes with \$50,000 in assistance (indicated in green) and with \$80,000 in assistance (indicated in yellow). (calculations assume 35% of income to PITI payment, 7% interest rate, homestead exemptions, 1.5% buyer contribution, and 4% fee estimate).

Household Size	Household Income	\$286,615 Subsidy Required (90%)	\$254,768 Subsidy Required (80%)	\$222,922 Subsidy Required (70%)
1	\$43,312	\$175,000	\$135,000	\$90,000
2	\$49,481	\$150,000	\$109,000	\$65,000
3	\$55,693	\$125,000	\$80,000	\$40,000
4	\$61,862	\$95,000	\$55,000	\$14,000
5	\$66,807	\$75,000	\$33,000	0
6	\$70,044	\$55,000	\$16,000	0

The tables below mirror the ones before except they show subsidy needed to purchase a home with 6% interest rates at 80% and 70% AMI.

The table below shows the amount of assistance required for households making 80% of the area median income for their size for homes at 90%, 80% and 70% of the median sales price for existing homes with \$50,000 in assistance (indicated in green) and with \$80,000 in assistance (indicated in yellow). (calculations assume 35% of income to PITI payment, 6% interest rate, homestead exemptions, 1.5% buyer contribution, and 4% fee estimate).

Household Size	Household Income	\$286,615 Subsidy Required (90%)	\$254,768 Subsidy Required (80%)	\$222,922 Subsidy Required (70%)
1	\$49,500	\$135,000	\$90,000	\$48,000
2	\$56,550	\$100,000	\$55,000	\$15,000
3	\$63,650	\$65,000	\$20,000	\$0
4	\$70,700	\$30,000	\$0	\$0
5	\$76,350	\$0	\$0	\$0
6	\$80,050	\$0	\$0	\$0

The table below shows the amount of assistance required for households making 70% of the area median income for their size for homes at 90%, 80% and 70% of the median sales price for existing homes with \$50,000 in assistance (indicated in green) and with \$80,000 in assistance (indicated in yellow). (calculations assume 35% of income to PITI payment, 6% interest rate, homestead exemptions, 1.5% buyer contribution, and 4% fee estimate).

Household Size	Household Income	\$286,615 Subsidy Required (90%)	\$254,768 Subsidy Required (80%)	\$222,922 Subsidy Required (70%)
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1	\$43,312	\$165,000	\$120,000	\$75,000
2	\$49,481	\$135,000	\$90,000	\$45,000
3	\$55,693	\$105,000	\$60,000	\$20,000
4	\$61,862	\$75,000	\$30,000	\$0
5	\$66,807	\$50,000	\$7,000	\$0
6	\$70,044	\$30,000	\$0	\$0

CITY OF COLLEGE STATION
AFFORDABLE HOUSING AND NEIGHBORHOOD DEVELOPMENT
THROUGH ACQUISITION, REHABILITATION, DISPOSITION
PROGRAM GUIDELINES

Unless herein stated otherwise, the requirements contained in 24 CFR Part 92 (Home Investment Partnerships Program) and/or 24 CFR Part 570 (Community Development Block Grant Program) will be followed.

A. STATEMENT OF PURPOSE & PROGRAM OVERVIEW

The City of College Station has established an Affordable Housing and Neighborhood Development through Acquisition, Rehabilitation, Disposition Program (Program) funded through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and/or Home Investment Partnerships Program (HOME) for the purpose of developing affordable rental housing units. Additionally, the city may utilize other appropriate local, state, or federal resources that may become available.

The Program is designed to combine various financial resources necessary to acquire and rehabilitate safe, energy-efficient, and affordable rental housing units for conveyance to non-profit housing providers through a request for proposal process. The City's Planning and Development Services staff will identify dwelling units in conservable or substandard condition that will benefit from rehabilitation to preserve and enhance neighborhood quality and integrity. In addition, the city seeks to impede the acceleration of slum and blighting influences through this activity.

Eligible project activities will comply with the respective program requirements published in the U.S. Code of Federal Regulations (CFR), as it may be modified over time. The basic goals of this Program are to preserve housing and increase the supply of affordable, decent, safe, and sanitary housing available to qualified low-to-moderate income renter households.

This program is available on a City-wide basis and is limited to only those properties located within the municipal boundaries of the City. Properties that lie partially within the City limits may be considered on a case-by-case basis.

B. DESIGNATED AUTHORITY

Administrative authority for implementation of this Program will rest with the City Manager or their designee. The City will follow purchasing requirements for approval of

contractual agreements and budget changes as needed to accomplish project completion.

C. PROGRAM IMPLEMENTATION PROCESS

Steps in implementing the Program will be as follows:

1. Properties will be identified by staff, with assistance from Land Agents, that are in conservable or substandard condition. The cost will be at or below median home sales prices for previously owned homes and consistent with the appraised value unless there is clear justification for meeting a public purpose.
2. Program staff will make every effort, while crafting a plan for the home rehabilitation, to incorporate the City's most current Green Building Standards into the project scope. Any incentives offered from federal, state, or local agencies for conformance with Green Build Standards shall be accessed by the program as appropriate and when applicable.
3. Once the rehabilitation plan has been completed, and any other City required approvals have been accomplished, program staff will place the project out for bid to approved contractors in compliance with the City's procurement and process regulations. Prior to bid, program staff will prepare a construction estimate by which to compare submitted bid amounts. Should submitted bids prove to be more than 10% of the construction estimate, the city will have the option to reject all bids and re-bid the project or select the lowest responsible bidder (if program staff deems the lowest responsible bid reasonable within the project estimate). The city will then execute a construction contract with the lowest responsible bidder (Contractor).
4. Upon completion of rehabilitation activities, a Request for Proposal will be developed for the disposition of the specific property. The RFP respondent's equity stake will be a major factor in the ranking criteria and award of the property.
5. The land will be conveyed through a Land Transfer Agreement. The non-profit organization will be required to maintain the rental housing unit(s) as an affordable rental unit(s) for a minimum of 15 years. The non-profit organization will be responsible for determining eligibility of the household and ensuring compliance with federal requirements identified in the agreement.

D. ELIGIBLE PROPERTY CRITERIA

1. Location: The Program will be implemented on a City-wide basis within the corporate limits of the City of College Station. Properties that lie partially within the corporate

limits will be considered on a case-by-case basis. However, program preference will rest with properties wholly in the City.

2. Property Type: Eligible properties must be improved, single-family or multi-family residential lots, which are:
 - a. Conservable or substandard condition but structurally sound, and
 - b. Have all utility service connections available to the property.
3. All eligible properties, following rehabilitation with HOME funds, shall not exceed the HOME Program limits prescribed in 24 CFR § 92.254(a)(2)(iii).

E. FEASIBILITY OF REHABILITATION

Property eligible for Program will meet the following requirements:

1. Feasibility of rehabilitation of property to minimum program standards will be made following a detailed inspection of the property by program staff. This inspection includes completing a list of deficiencies which must be corrected to bring the structure into compliance with HUD requirements and all applicable City of College Station codes and expectations.
2. Feasibility of rehabilitating structures under established program limits will be determined by an assessment of the following two criteria:
 - c. The estimate of costs needed for all required repairs and renovations must fall within program limits.
 - d. For all required renovations, rehabilitation costs shall not exceed 95% of the total estimated post-rehabilitation value for the structure.
3. Property will be inspected by Program staff to ensure minimum housing standards are met. Rehabilitation will ensure at a minimum:
 - HVAC of no less than the minimum SEER rating established every six years by the US Department of Energy for our region. HVAC system should be replaced if the equipment is more than halfway through the warranty period, if the warranty does not transfer to the new owner, or unless the system is in well-maintained condition.
 - Water heating system is not more than three (3) years out from the water heater warranty termination period (to include an expansion tank where required for tank type water heaters). Water heaters must be installed in a

drain pan (where required) with the drain exiting to the exterior of the house. Temperature and pressure (T&P) relief valve shall be properly routed to the exterior of the house, but if that is not possible, an automatic water shut off valve device shall be installed as per manufacturers requirements. T&P valve shall be replaced on a water heater if there are signs of corrosion or damage.

- Plumbing systems shall be in good working order with no leaking of plumbing valves, stops, pipes, joints, or fixtures. Drainpipes shall be clear of all obstructions and exhibit no blockages or slow draining.
- Electrical system hazards and/or deficiencies shall be corrected in accordance with the currently adopted National Electric Code and amendments. All electrical outlets, switches, devices, fixtures, equipment, and appliances shall operate as designed and shall be replaced or repaired by seller if inoperable (unless the item is not being sold with the home).
- Foundation shall be in good condition with no structural discrepancies for the loads being imposed on it and exhibits good performance of forces caused by surrounding heaving and shrinking soil conditions. If foundation is post-tension reinforced, the capped ends shall be grouted to prevent rust and corrosion leading to future failure and cables must be trimmed back to the tension capping device inside the concrete edge.
- Flooring shall be in good condition, or a condition requiring minimal repair or cleaning for habitation.
- Millwork and trim shall be in good condition.
- Interior doors shall be in good condition and operate correctly in their frames.
- Walls and ceilings shall exhibit minimal damage/repair patching to include consistent texturing.
- Structure shall have at least one location for broadband/cable/satellite/telecom connectivity.
- Roofs replaced ten (10) years prior to sale shall be negotiated with the seller if their warranty coverage will not transfer at sale. All penetrations through roof shall be well sealed with appropriate flashings, storm collars, pipes and caps, and all valley, edge and step flashings shall be in good condition.
- Exterior windows and doors shall be in good working order and in such condition that will be a safe environmental barrier from exterior weather conditions.
- Every exterior and interior flight of stairs having more than four risers shall have a handrail on one side of the stair and every open portion of a stair, landing, balcony, porch, deck, ramp or other walking surface that is more than 30 inches above the floor or grade below shall have guards. Handrails shall be not less than 30 inches in height or more than 42 inches in height (34" – 38" if new construction) measured vertically above the nosing of the tread or above the finished floor or the landing or walking surfaces. Guards shall be not less than 30 inches in height above the floor of the landing, balcony, porch, deck,

ramp or other walking surface. Both handrails and guardrails shall resist a linear load of 50 pounds per linear foot in any direction and a concentrated load of 200 pounds. All openings in the rails shall be no larger than a 4" sphere, except for the triangular opening of a stair riser and tread under the handrail, which shall be no larger than a 6" sphere. This standard shall follow any changes or revisions as may occur with the adoption of applicable property codes and/or addendums.

- Rain gutters with leaf guards, downspouts and splash blocks/underground drain piping shall be installed where drainage must move away from the foundation.
- Exterior siding, trim and masonry veneer shall be in good condition with minimal weather damage or evidence of foundation movement.
- There shall be no evidence of insect or vermin infestation.
- All vegetation shall be trimmed away for the exterior envelope.
- Site shall be graded and sloped in a manner to move rainwater quickly and efficiently away from the structure and other structural improvements.

4. Manufactured Housing: Manufactured housing units are not eligible for program assistance.

F. FINAL INSPECTION - CERTIFICATE OF OCCUPANCY

The City of College Station will be responsible for final inspection of all housing units made available through the program to determine that the unit meets all City of College Station and HUD requirements.

City of College Station Optional Relocation Policy

Purpose

The purpose of this policy is to document the procedures to follow in claiming relocation expenses and providing relocation assistance payments. It may not be feasible for occupants to stay in homes that are being rehabilitated or reconstructed under the City's CDBG and HOME funded Rehabilitation/Reconstruction Loan Programs. Thus the City may be able to provide up to \$6,000 for qualified eligible expenses.

Authority

The College Station City Council authorized the Planning and Development Services Department to have a Relocation Loan Program and Reconstruction Loan guidelines in place that provides for a relocation payment. This policy is applicable to occupant(s) participating in the City of College Station's CDBG or HOME funded Rehabilitation and Reconstruction Loan Programs. The adopted Rehabilitation and Reconstruction Loan Program guidelines authorize the Planning and Development Department to pay up to \$6,000 for qualified eligible expenses.

The U.S. Department of Housing and Urban Development authorizes such assistance to be provided at 24 CFR 570.505 (d), 24 CFR 92.206 (f) and 49 CFR 29.

Eligibility

Occupants. Occupants of homes that are being rehabilitated or reconstructed under the City's CDBG or HOME funded Rehabilitation or Reconstruction Loan Programs. No later than the loan closing date, Occupants must notify the City that they are not able to occupy their home during the Rehabilitation/Reconstruction.

Expenses. Beneficiaries may receive up to \$6,000 for actual costs related specifically to rent, utilities, storage and moving. **The expenses MUST be supported by receipts and proof of payment (cancelled check or money order receipt).** Expenses must be deemed reasonable by Planning and Development Services staff and may be subject to verification by the City's Planning and Development Services staff. In some cases, the City may pay the vendor directly. The occupant needs to allow City Staff sufficient time to process requests to pay the vendor directly. Submission of request one week prior to the due date of payment is in most cases sufficient.

The City of College Station will not reimburse for any expenses occurred prior to HOME Agreement execution date.

Moving expenses greater than \$350 require advance approval by Planning and Development Services Staff. Storage cost greater than \$75 per month has to be approved in advance by Planning and Development Services.

Payment for rent requires a Housing Quality Standards inspection and visual paint inspection (performed by the City Inspector) prior to reimbursement of eligible costs under this optional relocation plan. Beneficiaries should obtain advance approval from the Planning and Development Services office prior to signing a lease for temporary housing if the beneficiary plans to request reimbursement for such housing costs.

Specific Allowable Expenses. The occupant may request reimbursement for expenses including: utility hook up and disconnect fees (the occupant remains responsible for all normal monthly utility charges) – expenses for extraordinary usage related to the rehabilitation/reconstruction may be paid by the City of College Station, but this is subject to the City's evaluation of normal monthly charges), rent and utility costs for temporary lodging, storage costs for household goods, moving costs related to moving household goods from the rehabilitated/reconstructed house to the designated storage facility and back to the rehabilitated/reconstructed house. If the Occupant requests reimbursement for relocation-related expense that is not listed, the Planning and Development Services Department staff will evaluate whether it may be eligible under this policy.

In case Occupants temporarily live with a family member during the rehabilitation/ reconstruction phase the City of College Station may reimburse part of the utility payments. To qualify for utility payments in cases where clients are living with family members, sufficient documentation will be required to show an increase in the amount of utilities due to the increased number of occupants in the dwelling. The payment(s) based on approval will be made directly to the utility vendor. Under no circumstances can a family member receive payment for relocation expenses of an immediate family member. The U.S. Department of Housing and Urban Development defines immediate family member to include brothers, sisters, mothers and fathers, as well as the spouse and children of the person at issue.

Reimbursement Procedures

Occupants should allow sufficient time for the City to process their reimbursement request. Generally if a complete request is received by 12:00 p.m. Monday, the City may have a check prepared by Friday after 2:00 p.m. However, in certain cases, additional time may be needed by City staff to verify claimed expenses. A complete request is defined as a request that includes all receipts and proof of payment for claimed expenses.

Questions

Any questions concerning this Optional Relocation Plan should be directed to the Planning and Development Services Department.

This is to acknowledge that I do recognize the stipulations and conditions of this Relocation Policy and agree to comply with these terms as stated in the document. Release + Indemnify the City

Applicant Signature

Date

**CITY OF COLLEGE STATION
DOWN-PAYMENT ASSISTANCE PROGRAM**

PROGRAM GUIDELINES

Unless herein stated otherwise, the general operating procedures contained in 24 CFR Part 92 (Home Investment Partnerships Program) and/or 24 CFR Part 570 (Community Development Block Grant Program) will be followed.

A. STATEMENT OF PURPOSE & PROGRAM OVERVIEW

The City of College Station Down Payment Assistance Program (DAP) is funded through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) funds. Additionally, the City may utilize other local, state, or federal resources that become available.

DAP is designed to assist income-eligible homebuyers with the purchase of affordable single family residential properties located within the City of College Station for owner-occupied, homestead use only. DAP financial assistance shall be limited to providing qualified applicants with down payment/principal reduction and/or closing cost assistance under the provisions of 92 CFR § 92.254 qualification as affordable housing: homeownership and 570.201 Basic eligible activities. This may be accomplished in part by developing, with City Council approval, affordable single-family units to be made available to program eligible families.

The basic goals of the Down Payment Assistance Program are:

- To provide homeownership opportunities for low income individuals and families,
- To expand the supply of decent housing available to low-income homebuyers, and
- To provide homeowner training and homebuyer education activities to low-income homebuyers.

DAP financial assistance shall be provided using deferred loans which, to the extent proceeds are available from the transaction, are fully repayable upon sale of the property. This assistance is combined with conventional permanent financing offered by private sector lenders (i.e., banks, thrifts, or mortgage corporations). Seller/owner financing is not permitted. The amount of financial assistance that may be provided by the Program will be based on the applicant's demonstrated need or "financial gap." DAP will provide a gap financing loan with a maximum of 30% and a minimum of 23% of the sales price, not to exceed \$80,000.00, provided. The Program will maintain adequate

records to support how the amount of Program assistance was calculated. Assistance beyond the HOME maximum per-unit subsidy limit as published by HUD for qualified applicants purchasing eligible properties in the City of College Station will not be provided. The maximum purchase price shall not exceed 95% of the median area purchase price for the same type of residence per 24 CFR 92.254(a)(2)(iii). At his/her sole discretion, the City Manager or their designee may increase the amount of DAP assistance for an applicant purchasing properties developed by the City's Planning and Development Services Department or the City's non-profit partners if necessary to accomplish other City or program objectives, or upon significant demonstration of extraordinary circumstances.

DAP assistance will require a lien by the City of College Station. DAP homebuyers must contribute a minimum of 1.5% of the sales price to the purchase of properties. At the discretion of the City Manager or their designee, this requirement may be waived.

Participating lenders must provide escrow services to buyers for insurance and tax payment purposes. The City will not participate in purchases where the mortgage lender's interest rate exceeds the local average mortgage rate by more than one and one-half additional percentage points. Additionally, lender mortgages of less than fifteen (15) years will not be eligible for participation in the DAP Program.

B. HOMEBUYER ELIGIBILITY CRITERIA

Eligible applicants of DAP financial assistance must meet the following qualifications:

1. An applicant must have a gross income of less than eighty (80) percent of the College Station/Bryan area median income as established by HUD. Income will be determined by the provisions of 24 CFR § 92.203 (Income determinations) and 24 CFR § 5.609 (Annual income).
2. Applicants will not be eligible for DAP assistance if, upon application, they have assets exceeding \$30,000 on hand. Retirement funds in IRS recognized retirement accounts are excluded. The City Manager or their designee may waive this requirement if necessary to accomplish other City or program objectives, or under extraordinary circumstances.
3. Participants will be required to certify at the time they acquire an ownership interest in the unit that they intend to occupy the unit as their principal residence. Occupancy will be determined through verification of utility consumption, and other verifications determined to be acceptable by the City, on an annual basis.
4. Credit and Employment Standards

- a. Qualified applicants will have an average credit score of no less than 600, with no bankruptcies, foreclosures, student loan delinquencies, income tax delinquencies, child support delinquencies or repossessions within the previous two (2) years. The City Manager or their designee may waive this requirement if necessary to accomplish other City or program objectives, or upon significant demonstration of extraordinary circumstances.
 - b. Applicants must have an employment history in the same job, or in the case of professional, salaried employees (as defined in 29 CFR § 541 meeting any of the requirements in Subparts B, C, D, E, or F), in the same field of employment, for a minimum of six (6) months.
 - c. Student loans which are currently deferred at the time of application will be included in the debt ratio calculation as if in repayment status.
5. Citizenship: In order to receive DAP assistance, applicants must be United States Citizens, U.S. Non-Citizen Nationals, or Qualified Aliens as defined by Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Qualified Alien status will be verified by the U.S. Citizenship and Immigration Services Division of the Department of Homeland Security.

C. ELIGIBLE PROPERTY CRITERIA

Property eligible for purchase under DAP is subject to the requirements of 24 CFR § 92.254 (Qualification as affordable housing: homeownership) and as follows:

1. The DAP will be implemented on a city-wide basis within the city limits of the City of College Station.
2. All single-family property, located within the above mentioned boundaries, is eligible. The definition of "single-family" property includes individually owned townhouse units, homeplexes and condominium units, but excludes buildings with multiple dwelling units.
3. Only property that is debt-free and has an otherwise clear title on the date it is acquired by an applicant is eligible.
4. The sales price of the home to be purchased must be affordable within the limits stated by HUD and federal regulations. The purchase price of the home to be purchased may not exceed 95% of the median area purchase price for the same type of residence for the College Station/Bryan area per 24 CFR 92.254(a)(2)(iii).
5. Eligible properties must not be tenant-occupied on the date of the execution of the Earnest Money or Sales Contract, unless the occupant is the buyer.

6. Properties constructed prior to 1978 that exceed the maximum allowable area of chipping, peeling, or cracking paint, as determined by Planning and Development Services Department staff, must have passed a lead-based paint risk assessment by a State of Texas-licensed Lead Risk Assessor.

D. LOAN INSTRUMENTS

DAP shall use two (2) basic loan instruments (promissory note and deed of trust) to provide financial assistance to eligible applicants and to comply with the provisions of 24 CFR § 92.254(a)(5)(ii)(A) (Recapture, Net Proceeds). The intention of the DAP loan instrument is to provide supplemental financial assistance when combined with permanent financing.

Affordability shall be determined by ensuring the total PITI (principal, interest, taxes, and insurance) payment (front ratio) is not less than 20% but not more than 35% of the monthly income of the eligible DAP homebuyer. With lender approval, the upper percentage may be slightly exceeded under extenuating circumstances that demonstrate the buyer's ability to handle higher payments. The maximum total debt-to-income ratio (back ratio) is 45% (participating lenders may require a lower percentage). The City of College Station shall not participate in loan packages that have mortgages that are not fully amortizing ("balloon" mortgage) or contain negative amortization. Mortgage interest rates must be fixed for the full loan term. Interest rate buy-downs are not permitted. A maximum of 30% of the program assistance may be used for closing costs except prepaid taxes or mortgage insurance. The remaining 70% must be applied directly to the down payment. Any Mortgage Credit Certificate Tax Credits claimed by the applicant will not be included in the debt ratio calculation.

DAP loan instruments shall require that the property must be maintained to meet all applicable City codes, including community appearance standards and code enforcement ordinances.

Amount: Gap financing of up to 30% of the sales price of the house not to exceed \$80,000.00. Assistance amount is determined by the borrower's demonstrated need or "financial gap."

Repayment Due: 100% of borrowed amount when borrower no longer owner occupies the property (to the extent proceeds available) plus the percentage of equity as determined by the DAP amount divided by the sales price at time of purchase.

Interest Rate: 0%

Lien holder Position:	Second
Closing Costs:	A maximum of 30% of the program assistance may be used for closing costs. The remaining 70% must be applied directly to the down payment.
Refinancing:	Allowed for payment, term, or interest rate reduction. No cash-out refinance allowed during the affordability period.
Owner Occupancy Required:	On the date the homebuyer ceases occupying the property as a principal residence (i.e., rental, gift, death, abandonment), the deferred loan and the shared equity portion will become due and payable to the City (except for deployed military personnel.)

The Shared Equity percentage of appreciation/depreciation due is based on whether there is a gain or loss from a subsequent sale of the subject property. Gain or loss from the borrower's sale shall be calculated as the subsequent sales price minus the eligible costs of sale minus the original cost of acquisition (original purchase price plus closing costs). If there is a loss, then 100% of the loss will be reduced from the original Shared Equity DAP loan amount. If there is a gain, then the Planning and Development Services Department will be paid its original loan plus a share of the appreciation, based on the percentage of the Shared Equity DAP loan of the original home sales price.

The City shall have the prior right to purchase the ownership interest in the property from the initial DAP homeowner for the amount specified in a firm contract between the homeowner and the prospective buyer. The City shall have 10 business days after receiving notice of the firm contract to decide whether to exercise its right and 60 additional calendar days to complete closing of the property.

Military Deployment - In the event that the homebuyer is deployed on active duty, if the home is occupied by the homebuyer's dependents, the DAP loan will continue to be deferred.

E. HOUSING QUALITY PLAN

1. Planning and Development Services Departmental staff, who are experienced in conducting inspections of housing units for health and safety standards will complete inspections of all proposed units for conditions posing a health or safety threat to occupants prior to approval of the unit for transfer to the homebuyer.

2. All DAP funded properties must meet all requirements under 24 CFR § 92.251(a) (Property standards) prior to closing.
3. Subject properties will be reviewed with regards to environmental issues as required by federal guidelines in 24 CFR § 92.352 (Environmental review). Properties not eligible for federal assistance due to environmental hazards will be ineligible for this program.

F. DAP HOMEBUYER AND HOMEOWNER EDUCATION

The Homebuyer and Homeowner Education Program will provide advice and assistance to potential homebuyers to assist them in meeting the responsibilities of home ownership.

1. An **Intake Interview** will be conducted between City staff and the prospective homebuyer once the application has been completed and reviewed by staff.
2. The session will cover housing selection, Fair Housing laws, purchase procedures, real estate and mortgage terminology, types of financing and assistance programs, and the rights and responsibilities of homeowners. Program disclosures will be discussed and signed by the prospective homebuyer at this time.
3. Applicants must receive housing counseling from a HUD Certified Housing Counselor working for a HUD Certified Housing Counseling Agency. Proof of meeting this requirement must be submitted prior to closing.

G. APPLICATION PROCESS

Interested applicants will be given application and verification forms and instructions for completion. Staff will be available to assist with completion of required forms.

1. Once an applicant meets all program requirements, to include applying for and receiving approval for permanent mortgage financing, an Electronic Funds Transfer (E.F.T.) or check will be requested for the appropriate program assistance. Program documents will be prepared and forwarded to the appropriate title company. Upon Closing, DAP funds will be made available to the selected title company. The E.F.T. or check will be made out to the title company for the benefit of the applicant/buyer.
2. Previous recipients of Planning and Development Services Department housing program assistance (ORP, Rehab, TBRA, etc.) must be approved by the City Manager or their designee prior to receiving DAP assistance. Previous DAP

recipients are not eligible for additional DAP assistance, except upon approval of the City Manager or their designee.

3. Applicants falsifying information will be disqualified from participating in the program and may be subject to criminal prosecution.
4. Applicants denied for DAP can reapply no earlier than three (3) months from the date of original application.
5. A non-refundable fee of shall be due upon receipt of the application or pre-application. This fee is meant to primarily cover the cost of the prospective client's credit report.

H. ANTI-DISPLACEMENT POLICY STATEMENT

1. The City shall not engage or participate in any activities that influence the permanent and/or involuntary relocation or displacement of any low-income family due to the DAP pursuant to the provisions of 24 CFR§ 92.353 Displacement, Relocation, and Acquisition.
2. It is not anticipated that it would be necessary to relocate any families. However, the City will follow the relocation procedures as set forth in its adopted Anti-Displacement Policy if the need does arise.

I. EQUAL OPPORTUNITY STATEMENT

The City of College Station is committed to providing equal opportunity for minority- or women-owned businesses to compete and obtain contracts for City sponsored projects, and will comply with the provisions of 24 CFR § 92.350 (Other Federal requirements and nondiscrimination) and 24 CFR § 92.351 (Affirmative marketing; minority outreach program).

J. FAIR HOUSING POLICY STATEMENT

The City of College Station adopted a Fair Housing Ordinance in 1979, which prohibits discrimination in the sale or rental of housing, and discrimination in the provision of brokerage services. The ordinance also outlines the City's procedures regarding complaints, investigation, cumulative legal effect, unlawful intimidation, education and public information and penalty. The City is not under any court order or decree regarding Fair Housing. Relevant policies and codes have been examined and no exclusionary zoning codes were evident. The City of College Station does not have a rental control ordinance. The City of College Station will comply with the provisions of 24 CFR § 92.351 (Affirmative marketing; minority outreach program).

Information regarding the DAP will be made available to the public through the use of a variety of public media, to include: meetings, the City's website and ads in the classified section of the newspapers. Press releases may be given to the local media. Information and applications will be made available to local agencies that deal with low to moderate income people.

Planning and Development Services Department staff will be available to speak to organizations or groups of interested individuals. Other methods of program information outreach may be utilized, including utility bill inserts, direct mailing, television advertising, and applications and program information will also be available on various City-specific media.

In addition, the City of College Station will seek technical assistance from the appropriate HUD staff in order to ensure that all Fair Housing requirements and standards are upheld and ultimately furthered.

**CITY OF COLLEGE STATION
DEMOLITION/CLEARANCE PROGRAM**

PROGRAM GUIDELINES

Unless herein stated, the requirements contained in 24 CFR Part 570 (Community Development Block Grant Program) will be followed.

I. STATEMENT OF PURPOSE AND PROGRAM OVERVIEW

The City of College Station has established a Demolition/Clearance Program (DEMO) funded through the U. S. Department of Housing and Urban Development (HUD) Community Development Block Grant Program (CDBG) . DEMO is designed to provide financial assistance necessary to accomplish the removal of dilapidated structures and dwellings and for removal of slum and blight, particularly dilapidated and vacant residential structure and/or accessory buildings. The goal is to create a more livable environment. Provisions are made for lower income applicants to apply for assistance in the removal of dilapidated and vacant structures. To protect the City's investment, liens are placed on the property to ensure recapture of program expenses. When appropriate and at the discretion of the City Manager or their designee, liens may be waived for income eligible program applicants, as outlined in these guidelines.

DEMO funds may only be used on eligible projects that either address slum and blight or assist low-to moderate income households whose incomes do not exceed eighty percent (80%) of the College Station-Bryan Area Median Income (AMI) (Eligible Household). Assistance is available on a city-wide basis and is limited to only those properties located within the municipal boundaries of the city. Properties that lie partially within the city limits may be considered on a case-by-case basis.

Assistance shall be subject to the availability of grant funds and U.S. Department of Housing and Urban Development (HUD) implementing regulations. Administrative procedures will be modified to meet any change in rules and regulations of HUD which may occur over time.

Properties considered for demolition or clearance under DEMO may be identified by various City of College Station departments (Planning and Development Services, Public Works, Fire, etc.).

Program costs associated with DEMO may include, but are not limited to: costs of inspections and/or hazardous material assessments; lead-based paint and asbestos testing, abatement, and disposal activities; utility disconnections fees; removal of rubbish, debris, and/or other unsightly or hazardous material; solid waste/landfill disposal fees; lien recording fees; hydro-mulching costs to return the property to a useable and safe condition; and program delivery/staff costs.

DESIGNATED AUTHORITY

Administrative authority for implementation of this program will rest with the City Manager or their designee. The Planning and Development Services Department will

serve as the designated office for approval of contractual agreements and budget changes as needed to accomplish project completion, in accordance with Council-approved procedures.

The City Manager or their designee will be responsible for authorizing the amount of assistance to be made available to the project in accordance with the implementing procedures. This determination will be based upon the evaluations of the cost to be incurred by providing the assistance and upon the demonstrated needs of eligible applicants.

The City Manager or their designee will also be responsible for approval of applicant eligibility for this program and final approval of selection of applicants to be assisted. This will be based upon relative need of applicants for the specific assistance sought.

GENERAL PROGRAM GUIDELINES

- A. Assistance will be available on a city-wide basis.
- B. Assistance shall be subject to the availability of grant funds and U.S. Department of Housing and Urban Development (HUD) implementing regulations. Administrative procedures will be modified to meet any change in rules and regulations of HUD which may occur over time.
- C. Efforts will be directed toward the funding of staffing costs and the actual cost of removal of dilapidated structures or clearance of sites.

II. ELIGIBLE PROPERTIES

A. Properties located in the City of College Station, both occupied and uninhabitable, will be eligible for assistance upon the determination that the structure and/or site present a threat to the health and safety of occupants or to the public, or structurally unsound, or determined infeasible to rehabilitate based on the Community Development Program definition of Infeasibility of Rehabilitation.

B. Eligible properties include those which are determined to constitute unsightly or slum and blight images and contribute to the decline of the neighborhood.

C. Eligibility for funding assistance will also include either of the following two types of referral:

1. Property owners must submit a Request for Demolition Assistance properly excuted by either all of the property owners or by one owner acting on behalf of the remainder of the owners as evidenced by either Power of Attorney or notarized statements. Property owners must provide sufficient documentation as to the correct ownership of the property and the existence of any liens on the property. The assistance will be in the form of a grant and no lien will be placed on the property; or

2. Structure is determined a public hazard and is formally condemned by the City of College Station Building and Standards Commission. The owner will then be billed

for the actual cost of the demolition and any administrative cost associated with the condemnation process and a lien for the total project cost will be placed on the property.

IV. TYPES OF ASSISTANCE

A. Assistance will include provision of funding and technical assistance in the Demolition/Clearance procedure. The City will provide funds on behalf of property owners for the contracting of removal of dilapidated structures or site clearance.

B. The City will act as a part to a Demolition/Clearance contract in the event of a demolition brought about as a result of a formal condemnation process, or in the event that the rightful owner of the property can not be readily determined or located following formal title research procedures.

C. The City may assist property owners with formal bidding procedures upon owner's request by providing a detailed work write-up of clearance procedures and standards and by providing a list of pre-qualified bidders. Qualified bidders will be solicited by public notice and determined eligible to bid after satisfactorily presenting adequate certificates of insurance, financial responsibility, and evidence of quality workmanship. Qualified bidders will then be notified of individual projects as they occur, in addition to public notices of invitations to bid.

D. The property owner will be the procuring agent for the project and must adhere to Bidding and Contracting procedures as outlined in the Community Development General Administrative Guidelines.

E. City staff will comply with all federal regulations regarding environmental quality standards, the public notification of the use of funds for demolition/clearance activities, the Barney-Frank One-for-One Replacement Dwelling regulations if necessary, and Section 104(d) Relocation regulations if necessary.

**CITY OF COLLEGE STATION
HABITAT FOR HUMANITY DOWN-PAYMENT ASSISTANCE PROGRAM**

PROGRAM GUIDELINES

Unless herein stated otherwise, the general operating procedures contained in 24 CFR Part 92 (Home Investment Partnerships Program) and/or 24 CFR Part 570 (Community Development Block Grant Program) will be followed.

A. STATEMENT OF PURPOSE & PROGRAM OVERVIEW

The City of College Station Habitat for Humanity Down-Payment Assistance Program (HDAP) is funded through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) funds. Additionally, the City may utilize other local, state, or federal resources that become available.

HDAP is designed to assist income-eligible Habitat for Humanity homebuyers with the purchase of affordable single family residential properties located within the City of College Station for owner-occupied, homestead use only through the Habitat for Humanity homebuyer program. HDAP financial assistance shall be limited to providing qualified applicants with down payment/principal reduction and/or closing cost assistance under the provisions of 92 CFR § 92.254 qualification as affordable housing: homeownership and 570.201 Basic eligible activities.

The basic goals of the Down-Payment Assistance Program are:

- To provide homeownership opportunities for low income individuals and families,
- To expand the supply of decent housing available to low-income homebuyers, and
- To provide homeowner training and homebuyer education activities to low-income homebuyers.

HDAP financial assistance shall be provided using deferred loans which, to the extent proceeds are available from the transaction, are fully repayable upon sale of the property. This assistance is combined with permanent financing offered by the Habitat for Humanity homebuyer program. The amount of financial assistance that may be provided by the Program will be based on the applicant's demonstrated need or "financial gap." DAP will provide a maximum of \$15,000 provided that the amount of assistance does not increase the amount of assistance beyond the maximum 221(d)(3) limit as published by HUD for qualified applicants purchasing eligible properties in the City of College Station. The maximum purchase price shall not exceed 95% of the median area purchase price for the same type of residence. HDAP assistance will require a lien by the City of College Station.

Habitat for Humanity must provide escrow services to buyers for insurance and tax payment purposes. Lender mortgages of less than fifteen (15) years will not be eligible for participation in the HDAP Program.

B. HOMEBUYER ELIGIBILITY CRITERIA

Eligible applicants of HDAP financial assistance must meet the following qualifications:

1. An applicant must have a gross income of less than eighty (80) percent of the College Station/Bryan area median income as established by HUD. Income will be determined by the provisions of 24 CFR § 92.203 (Income determinations) and 24 CFR § 5.609 (Annual income). Applicants will not be eligible for DAP assistance if, upon application, they have assets exceeding \$30,000 on hand. Retirement funds in IRS recognized retirement accounts are excluded.
2. Participants will be required to certify at the time they acquire an ownership interest in the unit that they intend to occupy the unit as their principal residence. Occupancy will be determined through verification of utility consumption, and other verifications determined to be acceptable by the City, on an annual basis.
3. Employment and Debt Standards
 - a. Applicants must have an employment history in the same job, or in the case of professional, salaried employees (as defined in 29 CFR § 541 meeting any of the requirements in Subparts B, C, D, E, or F), in the same field of employment, for a minimum of six (6) months.
 - b. Student loans which are currently deferred at the time of application will be included in the debt ratio calculation as if in repayment status.
4. Citizenship: In order to receive HDAP assistance, applicants must be United States Citizens, U.S. Non-Citizen Nationals, or Qualified Aliens as defined by Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Qualified Alien status will be verified by the U.S. Citizenship and Immigration Services Division of the Department of Homeland Security.

C. ELIGIBLE PROPERTY CRITERIA

Property eligible for purchase under HDAP is subject to the requirements of 24 CFR § 92.254 (Qualification as affordable housing: homeownership) and as follows:

1. The HDAP will be implemented on a city-wide basis within the city limits of the City of College Station.
2. Single-family property developed by the Habitat for Humanity homebuyer program, located within the above mentioned boundaries, is eligible. The definition of "single-family" property includes individually owned townhouse units, homeplexes and condominium units, but excludes mobile homes, duplexes and quadraplexes.
3. Only property that is debt-free and has an otherwise clear title on the date it is acquired by an applicant is eligible.

4. The sales price of the home to be purchased must be affordable within the limits stated by HUD and federal regulations. The fair market value (FMV) of the home to be purchased may not exceed 95% of the median area purchase price for the same type of residence for the College Station/Bryan area.
5. Eligible properties must not be tenant-occupied on the date of the execution of the Earnest Money or Sales Contract, unless the occupant is the buyer.
6. Properties constructed prior to 1978 that exceed the maximum allowable area of chipping, peeling, or cracking paint, as determined by Planning and Development Services Department staff, must have passed a lead-based paint risk assessment by a State of Texas-licensed Lead Risk Assessor.

D. LOAN INSTRUMENTS

HDAP shall use two (2) basic loan instruments (promissory note and deed-of-trust) to provide financial assistance to eligible applicants and to comply with the provisions of 24 CFR § 92.254(a)(5)(ii)(A) (Recapture, Net Proceeds). The intention of the HDAP loan instrument is to provide supplemental financial assistance when combined with permanent financing.

Affordability shall be determined by ensuring the total PITI (principal, interest, taxes, and insurance) payment (front ratio) is not more than 35% of the monthly income of the eligible HDAP homebuyer. The maximum total debt-to-income ratio (back ratio) is 45% (Habitat for Humanity may require a lower percentage). A maximum of 30% of the program assistance may be used for closing costs except prepaid taxes or mortgage insurance. The remaining 70% must be applied directly to the down payment. Any Mortgage Credit Certificate Tax Credits claimed by the applicant will not be included in the debt ratio calculation.

HDAP loan instruments shall require that the property must be maintained to meet all applicable City codes, including community appearance standards and code enforcement ordinances.

Amount:	\$15,000 maximum
Repayment Due:	100% upon sale (to the extent proceeds available)
Interest Rate:	0%
Lien holder Position:	Second
Closing Costs:	A maximum of 30% of the program assistance may be used for closing costs. The remaining 70% must be applied directly to the down payment.
Refinancing:	Allowed for payment, term, or interest rate reduction. No cash-out refinance allowed.

Owner Occupancy Required:

On the date the homebuyer ceases occupying the property as a primary residence (i.e., rental, gift, death, and abandonment), the deferred loan will become due and payable to the City (except for deployed military personnel.)

Habitat for Humanity shall have the prior right to purchase the ownership interest in the property from the initial HDAP homeowner. Should Habitat for Humanity choose not to exercise their right, the City shall then have the prior right to purchase the ownership interest in the property from the initial HDAP homeowner for the amount specified in a firm contract between the homeowner and the prospective buyer. The City shall have 10 business days after receiving notice of the firm contract to decide whether to exercise its right and 60 additional calendar days to complete closing of the property.

Military Deployment - In the event that the homebuyer is deployed on active duty, the homebuyer may, at their discretion, rent the home during the time of deployment to an income-eligible applicant if the homebuyer's monthly mortgage payment will exceed 30% of gross monthly income after deployment. The maximum rent will be determined by published maximum HUD rents for the area. The City of College Station Planning and Development Services Department will verify income eligibility of the rental applicant and will file a copy of the deployment orders in the homebuyer's client file. If the home is rented to an income-eligible applicant, or is occupied by the homebuyer's dependents, the HDAP loan will continue to be deferred.

E. HOUSING QUALITY PLAN

1. Planning and Development Services Departmental staff, who are experienced in conducting inspections of housing units for health and safety standards will complete inspections of all proposed units for conditions posing a health or safety threat to occupants prior to approval of the unit for transfer to the homebuyer.
2. All HDAP funded properties must meet all requirements under 24 CFR § 92.251(a) (Property standards) prior to closing.
3. Subject properties will be reviewed with regards to environmental issues as required by federal guidelines in 24 CFR § 92.352 (Environmental review) Properties not eligible for federal assistance due to environmental hazards will be ineligible for this program.

F. HDAP HOMEBUYER AND HOMEOWNER COUNSELING PROGRAM

The Habitat for Humanity Homebuyer Program will provide a full range of services, advice, and assistance to potential homebuyers to assist them in meeting the responsibilities of home ownership.

G. APPLICATION PROCESS

Interested applicants will be given application and verification forms and instructions for completion. Staff will be available to assist with completion of required forms.

1. Once an applicant meets all program requirements, to include applying for and receiving approval for permanent mortgage financing through the Habitat for Humanity Homebuyer Program, an Electronic Funds Transfer (E.F.T.) or check will be requested for the appropriate program assistance. Program documents will be prepared and forwarded to the appropriate title company. Upon Closing, HDAP funds will be made available to the selected title company. The E.F.T. or check will be made out to the title company for the benefit of the applicant/buyer.
2. Previous recipients of Community Development housing program assistance (ORP, Rehab, TBRA, etc.) must be approved by the City Manager or their designee prior to receiving HDAP assistance. Previous HDAP recipients are not eligible for additional HDAP assistance, except upon approval of the City Manager or their designee.
3. Applicants falsifying information will be disqualified from participating in the program and may be subject to criminal prosecution.
4. Applicants denied for HDAP can reapply no earlier than six (6) months from the date of original application.
5. A non-refundable fee of \$30 shall be due upon receipt of the application or pre-application. This fee is meant to primarily cover the cost of the prospective client's credit report.

H. ANTI-DISPLACEMENT POLICY STATEMENT

1. The City shall not engage or participate in any activities that influence the permanent and/or involuntary relocation or displacement of any low-income family due to the HDAP pursuant to the provisions of 24 CFR§ 92.353 Displacement, Relocation, and Acquisition.
2. It is not anticipated that it would be necessary to relocate any families. However, the City will follow the relocation procedures as set forth in its adopted Anti-Displacement Policy if the need does arise.

I. EQUAL OPPORTUNITY STATEMENT

The City of College Station is committed to providing equal opportunity for minority- or women-owned businesses to compete and obtain contracts for City sponsored projects, and will comply with the provisions of 24 CFR § 92.350 (Other Federal requirements and nondiscrimination) and 24 CFR § 92.351 (Affirmative marketing; minority outreach program).

J. FAIR HOUSING POLICY STATEMENT

The City of College Station adopted a Fair Housing Ordinance in 1979, which prohibits discrimination in the sale or rental of housing, and discrimination in the provision of brokerage services. The ordinance also outlines the City's procedures regarding complaints, investigation, cumulative legal effect, unlawful intimidation, education and public information and penalty. The City is not under any court order or decree regarding Fair Housing. Relevant policies and codes have been examined and no exclusionary zoning codes were evident. The City of College Station does not have a rental control ordinance. The City of College Station will comply with the provisions of 24 CFR § 92.351 (Affirmative marketing; minority outreach program).

Information regarding the HDAP will be made available to the public through the use of a variety of public media, to include: meetings, the City's website and ads in the classified section of the newspapers. Press releases may be given to the local media. Information and applications will be made available to local agencies that deal with low to moderate income people.

Planning and Development Services Department staff will be available to speak to organizations or groups of interested individuals. Other methods of program information outreach may be utilized, including utility bill inserts, direct mailing, television advertising, and applications and program information will also be available on various City-specific media.

In addition, the City of College Station will seek technical assistance from the appropriate HUD staff in order to ensure that all Fair Housing requirements and standards are upheld and ultimately furthered.

CITY OF COLLEGE STATION
HOUSING RECONSTRUCTION
PROGRAM GUIDELINES

Unless herein stated otherwise, the requirements contained in 24 CFR Part 92 (Home Investment Partnerships Program) and 24 CFR Part 570 (Community Development Block Grant Program) will be followed.

A. STATEMENT OF PURPOSE & PROGRAM OVERVIEW

The City of College Station has established a Housing Reconstruction Program (HRP) funded through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME). Additionally, the City may utilize other appropriate local, state, or federal resources that may become available.

The HRP is designed to combine various financial resources necessary to accomplish the reconstruction of eligible, qualified, owner occupied dwellings once deemed ineligible for the Housing Rehabilitation and Minor Home Repair programs. The City's Planning and Development Services staff will assist homeowners in planning, implementing and managing the process to demolish and reconstruct their substandard dwelling. In addition, the City seeks to impede the acceleration of slum and blighting influences through this activity, as well as preserve and enhance neighborhood quality and integrity. Depending upon applicant eligibility and costs of the particular project, assistance may be available to applicants under the provisions of 24 CFR § 92.254 Qualification as affordable housing: Homeownership and 24 CFR § 570.202, Eligible Rehabilitation and Preservation Activities. Eligible project activities will comply with the respective program requirements published in the U.S. Code of Federal Regulations (CFR), as it may be modified over time. The basic goals of this Program are:

- To preserve and enhance the supply of affordable, decent, safe, and sanitary housing available to qualified low-income households.
- To provide support, training, and educational activities to low-income applicants seeking to reconstruct their dilapidated homes.
- To provide applicants information regarding loan finance options to accomplish necessary demolition and reconstruction required to build a single family dwelling that meets all applicable codes and ordinances.
- To provide applicants information on proactively managing the maintenance of their homes following reconstruction.

This program is designed to provide technical and financial assistance to low-income, owner-occupant homeowners seeking to demolish and reconstruct their dilapidated residential structures into decent, safe and sanitary dwelling units. This program is available on a city-wide basis and is limited to only those properties located within the municipal boundaries of the city. Properties that lie partially within the city limits may be considered on a case-by-case basis.

The HRP financial assistance shall be managed as follows:

Program staff will assist qualified and approved applicants to demolish and reconstruct their dilapidated housing by requiring the applicant to enter into a reconstruction assistance agreement with the City. The agreement will allow the use of program funds for demolition and reconstruction as well as associated program delivery costs of the project. The agreement must be approved and executed prior to the commencement of any demolition or construction activities. All project costs (excluding staff time and soft costs necessary for program delivery) shall be compiled at project completion into a permanent financing loan, secured by a lien. Repayment of the loan shall be in accordance with the terms and conditions defined in program legal instruments. Applicants will have the option of pre-payment of costs at any time during the project, and prior to permanent financing, if they so desire.

Upon completion of construction activities, applicant shall close on the loan. Assistance will be in the form of a mixed loan – up to half of the assistance amount capped at \$60,000 in the form of a deferred, 0% interest, forgivable loan amortized using a monthly rate based on the number of months in a fifteen (15) year lien period. This portion of the loan will be forgiven at this rate over the fifteen (15) year lien period. The remainder will be in the form of a 0% interest deferred loan repayable when the borrower no longer occupies the property as their principal residence.

The mortgage note and deed restrictions shall be serviced and enforced either by the Planning and Development Services Department, a commercial lending institution, or by a not-for-profit entity.

B. DESIGNATED AUTHORITY

Administrative authority for implementation of this Program will rest with the City Manager or their designee. The Planning and Development Services Department will serve as the designated office for approval of contractual agreements and budget changes as needed to accomplish project completion, in accordance with Council approved procedures.

The City Manager or their designee will be responsible for authorizing the amount of assistance to be made available to the project in accordance with the implementing procedures. This determination will be based upon evaluations of the costs to be incurred by providing the housing assistance and upon the demonstrated needs of eligible applicant(s).

The City Manager or their designee will also be responsible for approval of applicant eligibility for this program and final approval of selection of applicants to be assisted. This will be based upon relative need of applicants for the specific housing assistance sought.

C. PROGRAM IMPLEMENTATION PROCESS

Steps in implementing the Program will be as follows:

1. The Planning and Development Services Department will create and maintain applications for all housing assistance programs. All applicants shall submit a completed application to the Planning and Development Services Department Office and await an evaluation of eligibility by the appropriate staff member(s). For this particular Program, applicants are required to hold majority title interest to an improved property within the corporate limits of College Station, which is their permanent place of residence, prior to submitting an application. A non-refundable application fee will be required to process the application under this program.
2. When a determination has been made that the structure is not feasible to rehabilitate to minimum standards under the City's Rehabilitation Program, staff will evaluate reconstruction applications for eligibility and prioritize the processing of applications based upon completeness and accuracy of information/documentation and demonstrated housing need. Program staff will process applications as expeditiously as possible, considering funding limitations and other staff responsibilities as assigned.
3. Applicant(s) will be notified by phone and in writing if they are eligible for participation in the program. If the applicant(s) are not eligible, they will be notified in writing, with an explanation of why they do not qualify. Non-qualification issues may include (but are not limited to) income, assets, deed restrictions, title concerns, environmental concerns and/or household make-up.
4. Program staff will meet with the applicant(s) to explain the basic goals and objectives of the Program and further assess the needs of the applicant(s) household that will occupy the dwelling once completed as their principal residence. Planning

and Development Services staff determine whether or not approval of the homeowner's replacement housing may be expected to result in the successful and feasible re-housing of the homeowner. The homeowner's request may be denied in cases in which the homeowner's general health or income level would preclude his or her adequate and responsible operation of a replacement dwelling; and/or cases in which the costs of the replacement dwelling would be substantially above the costs of typical cases; and to the extent that the probability of the City reaching its CDBG/HOME program goals would be endangered due to the cost overruns. The homeowner will be notified in writing of the determination and if the request is not approved, the reasons for denial.

5. After the household needs are fully assessed, staff will assess the project site to determine any additional demolition or reconstruction needs of the home in order to fully realize a decent, safe and sanitary unit. Program staff will make every effort, while crafting a plan for the home reconstruction, to incorporate the City's most current Green Building Standards into the project scope. Any incentives offered from federal, state or local agencies for conformance with Green Build Standards shall be accessed by the program as appropriate and when applicable.
6. Applicant(s) will be involved in several meetings with program staff to ensure proper steps are followed in the reconstruction process of their homes. The applicant may also be required to accompany program staff to appear before City planning boards and/or commissions to request variances or approval of special circumstantial development needs.
7. Applicant(s) will be responsible for their own relocation arrangements during the demolition and reconstruction period. Necessary relocation expenses may be eligible for reimbursement under the City of College Station's Optional Relocation Policy. The City may be able to provide up to \$4,500 for qualified eligible expenses.
8. Once the reconstruction plan has been completed, and any other City required approvals have been accomplished, program staff will place the project out for bid to approved contractors in compliance with the City's procurement and process regulations. Prior to bid, program staff will prepare a construction estimate by which to compare submitted bid amounts. Should submitted bids prove to be more than 10% of the construction estimate, the applicant will have the option to reject all bids and re-bid the project, or select the lowest responsible bidder (if program staff deems the lowest responsible bid reasonable within the project estimate). Applicant (Owner) will then enter into a construction contract with the lowest responsible bidder (Contractor), allowing the City to be the Owner Representative through the construction process, attending to progress payments and change orders in a timely manner on behalf of the Owner.

9. Program staff will obtain all required close-out documents at project completion and the loan closing will be scheduled.
10. Homeowners will be required to comply with all terms and conditions of their program agreement until all of the terms of their loan have been satisfied. Due to the type and source of funding, homeowners provided assistance through this program can expect rigorous enforcement of the terms and conditions of their loans.

D. APPLICANT ELIGIBILITY CRITERIA

Eligible applicants of this Program must meet the following qualifications:

1. Applicant(s) must have applied for rehabilitation assistance under the City's Housing Rehabilitation Program. Applicant must have been rejected for rehabilitation assistance on the grounds that the applicant's occupied dwelling was not feasible to rehabilitate.
2. Applicant(s) must be an owner-occupant of the dwelling for which assistance is requested and reside within the City of College Station. The dwelling must be the applicant's principal residence for a minimum of two (2) years prior to the submission of a completed application for assistance.
3. Ownership: Applicant(s) must present proof of ownership by General or Special Warranty Deed. City staff will verify proof of ownership with title searches as necessary on the property where the dilapidated structure exists and/or the site where the replacement housing will be built. In situations where the applicant does not have clear title, applicant will be required to clear title. When meeting this guideline requirement is not feasible, applicant must present proof of ownership (General or Special Warranty Deed) showing fee simple title of 50% or more ownership in the applicant's name. (All other title holders will be requested to relinquish their title rights to the applicant. If 100% title is not gained in this manner, then all other title holders will be requested to sign applicable project and lien documents to show their consent to the project.) Applicants with less than 100% fee simple title must have a continuing right to occupy the premises. Applicant must provide documentation for all existing liens. All current lienholders will be requested to subordinate their lien position to the City. Upon review and determination by the City Manager or their designee, the City may accept a lesser lien position if it is determined that the City's low-income affordable housing goals are being accomplished by the completion of the project.

4. Principal Residence and Homestead: Applicant(s) will be required to certify that they intend to occupy the new reconstructed dwelling as their principal residence upon project completion. Occupancy will be determined through verification of utility consumption, and other verifications determined acceptable and/or necessary by the City, on an annual basis.
5. Income: An applicant must have a gross income of 80 percent or less than of the College Station/Bryan area median income as reported by HUD. Income will be determined by the provisions of 24 CFR § 92.203 (Income determinations) and 24 CFR § 5.609 (Annual income).
6. Assets: Applicants will not be eligible for this Program if, upon application, they have assets exceeding \$30,000 on hand. Retirement funds in IRS recognized retirement accounts and home equity are excluded. The City Manager or their designee may waive this requirement if necessary to accomplish other City or program objectives, or under extraordinary circumstances.
7. Citizenship: In order to receive Program assistance, applicants must be United States Citizens, U.S. Non-Citizen Nationals, or Qualified Aliens as defined by Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Qualified alien status will be verified by the Citizenship and Immigration Services division of the U.S. Department of Homeland Security.
8. Applicant must establish that all property taxes are paid on the property to be vacated (and/or proposed construction site) and that all other liens are satisfied or released. Applicants owing delinquent property taxes will only be considered for assistance if they are enrolled in a county approved tax payment plan. At a minimum, the applicant must have six consecutive months of timely payments on a payment plan structured to bring taxes current within a two year period. After project completion, owners are required to certify on an annual basis that taxes have been paid and hazard insurance policies are current and in effect.
9. Applicants shall provide complete and accurate information regarding their household composition, household income, and housing situation. Failure to disclose information which may affect eligibility requirements shall also constitute fraud. Applicants shall be required to make full restitution to the City in the event applicants provide inaccurate or incomplete information in order to meet eligibility requirements for the Planning and Development Services Department housing programs. Requests for further assistance will be denied unless restitution is made in full.
10. Applicants will agree to conform to College Station Code Enforcement requests prior to being determined eligible for replacement housing assistance. Applicants agree

to maintain dwelling and exterior grounds in accordance with applicable city ordinances.

G. FEASIBILITY OF RECONSTRUCTION

1. Feasibility of demolition and reconstruction of property to minimum program standards will be made following a detailed inspection of the property by program staff.
2. Feasibility of reconstruction structures under established program limits will be determined by an assessment of the following two criteria:
 - a. For all required repairs and renovations, rehabilitation costs shall exceed 75% of the total estimated post- rehabilitation value of the structure.
 - b. The estimate of costs needed for all required demolition and reconstruction must fall within program limits.

Units not meeting these standards will be determined infeasible for reconstruction assistance and, therefore, considered only for the Housing Rehabilitation and Minor Home Repair programs.

H. SELECTION OF RECIPIENTS FOR ASSISTANCE

1. Recipients for assistance of HRP will be taken from the Rehabilitation Program applications of eligible homeowners residing in substandard or dilapidated structures determined to be infeasible to rehabilitate.
2. The number of recipients to receive assistance will be subject to general availability of funds.
3. Planning and Development Services Department staff will evaluate all applications of eligible homeowners whose structures are determined to be infeasible to rehabilitate. Based upon this evaluation, a recommendation will be made to the City Manager or their designee as to the order of applicants to be assisted. Generally, those in the most imminent danger to personal health or safety will be extended priority under the program.
4. Criteria to be used to make this evaluation will include the following items listed in priority order:

- a. Degree of threat to health and safety of occupants presented by continuance of residing in the structure. This will include evaluation of factors such as availability of basic services including water, sewer, electricity, and structural deficiencies of the home.
- b. Health and handicapping disabilities of occupants which necessitates the home to be handicapped accessible.
- c. Time and date that all application requirements are met.
- d. Time and date of application.

E. ELIGIBLE PROPERTY CRITERIA

Property eligible for Program assistance is subject to the requirements of 24 CFR § 92.254 (Qualification as affordable housing: Homeownership) and as follows:

- 1. Location: The Program will be implemented on a city-wide basis within the corporate limits of the City of College Station. Properties that lie partially within the corporate limits will be considered on a case-by-case basis. However, program preference will rest with properties wholly in the City.
- 2. Property Type: Eligible properties must be improved, single-family residential lots, which are:
 - a. The principle residence of the applicant, and
 - b. Have a structure that has been determined infeasible to rehabilitate by staff, and
 - c. Have all utility service connections available to the property.
- 3. Title: The applicant household must hold majority title to the property. An existing mortgage will not prohibit participation in the program.
- 4. All eligible properties, following reconstruction, shall not exceed the HOME Program limits prescribed in 24 CFR § 92.254(a)(2)(iii).
- 5. Property Size: Eligible properties must not exceed two (2) acres in size. The City Manager or their designee may waive this requirement if necessary to accomplish other City or program objectives, or under extraordinary circumstances.
- 6. Manufactured Housing: Manufactured housing units are not eligible for program assistance unless:

- a. the property on which the manufactured home sits is owned by the applicant; and
- b. the property is properly zoned for single family housing; and
- c. the applicant has resided in the home and on that site for not less than two years prior to the application date.

F. LOAN INSTRUMENTS

The HRP shall use loan instruments (real estate lien note, deed of trust, mechanic's lien contract, mechanic's lien note and transfer of lien) adapted to this program in order to provide financial assistance to eligible applicants.

Assistance will be in the form of a mixed loan – up to half of the assistance amount capped at \$60,000 in the form of a deferred, 0% interest, forgivable loan amortized using a monthly rate based on the number of months in a fifteen (15) year lien period. This portion of the loan will be forgiven at this rate over the fifteen (15) year lien period. The remainder will be in the form of a 0% interest deferred loan, repayable when the borrower no longer occupies the property as their principal residence.

Program loan instruments shall require that the property must be maintained to meet all applicable City codes, including code enforcement ordinances, community appearance and development standards.

Loan

Amount: \$150,000 maximum (construction and demolition costs)
The City Manager or their designee may increase this amount if necessary to accomplish other City or program objectives, or under extraordinary circumstances;

Interest: 0% interest deferred repayment portion and 0% interest forgivable portion capped at \$60,000

Forgivable Loan Repayment: Amortized using a monthly rate based on the number of months in a fifteen (15) year lien period. This portion of the loan will be forgiven at this rate over the fifteen (15) year lien period. Un-forgiven portion will be due in full when borrower no longer owner-occupies the structure;

Repayable Loan Repayment:

Deferred until borrower no longer occupies the property as their principal residence, at which time the repayment portion of the loan is due in full.

Lien holder Position: First;

Owner Occupancy Required: On the date the homeowner ceases occupying the property as their principal residence (i.e., rental, gift, death, abandonment), the deferred and repayable loans will become due and payable to the City except for deployed military personnel.

Refinancing of the first mortgage for the purpose of the reduction of monthly payments, term or interest rate is acceptable, however, refinancing which results in any cash being received by the homeowner is not allowed. In order to refinance, the rehabilitation cost must exceed the amount of debt that is refinanced with HOME funds.

The City shall have the prior right to purchase the ownership interest in the property from the initial HRP homeowner for the amount specified in a firm contract between the homeowner and a prospective buyer. The City shall have 10 business days after receiving notice of the firm contract to decide whether to exercise its right and 60 additional calendar days to complete closing of the property.

Military Deployment - In the event that the homeowner is deployed on active duty, if the home is occupied by the homeowner's dependents, the rehabilitation loan will continue to be deferred.

I. FORMS OF ASSISTANCE AND ALLOWABLE EXPENSES

1. The primary form of general housing reconstruction assistance will be federal CDBG and/or HOME funds to pay for eligible program costs. The allowable budget authority for reconstruction assistance shall not exceed One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) per applicant for eligible project costs (excluding program staff costs). The City Manager or their designee may increase this amount if necessary to accomplish other City or program objectives, or under extraordinary circumstances. Since each reconstruction project is unique in preparation, size and duration, additional costs may be required to carry a project from commencement to completion. These additional costs will be financed by owner proceeds or by an additional loan from a private lender. Under no circumstances will the owner be able to finance more debt than is allowed under Program debt to income ratios.

2. The City of College Station shall hold first lien position on the loan for the duration of the lien period. However, in extreme and isolated situations where first lien position is not feasible, the City may accept a lower lien position subject to the review and approval of the City Manager or their designee. The lien shall be released upon repayment. The full amount of assistance may be repaid at any time; however, the assistance must be repaid in full when the homeowner no longer occupies the property as their primary residence.
3. Program intent is to maintain owner-occupancy in the reconstructed dwellings. In the event of a sale, transfer of ownership or the property ceases to be owner occupied during the lien period, the following conditions must apply to avoid default:
 - a. The owner must sell or offer the assumption of the loan to a low/moderate income household for their homestead and approved by the City Manager or their designee; and
 - b. The owner shall give the city a first right of refusal to purchase the ownership interest in the property from the homeowner for the amount specified in a firm contract between the homeowner and a prospective buyer. The city shall have 10 business days after receiving notice of the firm contract to decide whether to exercise its right and 60 calendar days to complete closing of the property.
4. If within the lien period the homeowner defaults on the loan, the loan will be called due in full and foreclosure proceedings may be initiated. The City will make every effort to work with the homeowner to avoid foreclosure and will examine each situation on a case by case basis.
5. Allowable expenses will include:
 - a. Replacement housing to be used for one of the following re-housing options:
 - i. An adequate, decent, safe, and sanitary REPLACEMENT DWELLING constructed on the ORIGINAL SITE (LOT) of the dwelling vacated by the homeowner,
 - ii. An adequate, decent, safe, and sanitary REPLACEMENT DWELLING constructed on an ALTERNATE SITE in the City of College Station provided by the homeowner,
 - iii. An adequate, decent, safe, and sanitary REPLACEMENT DWELLING constructed on a SITE ACQUIRED where subject property is not appropriate for redevelopment and with the agreement that the homeowner will trade lots with the City, if available, or

- iv. An adequate, decent, safe, and sanitary REPLACEMENT DWELLING FOR SALE in the City of College Station that meets the City's Structural Standards Code (all Down Payment Assistance Program standards will apply to the home inspection).
 - b. Cost of lot clearance, demolition, and clearance of the dilapidated structure, and preparation of job site for new replacement dwelling.
 - c. Cost of utility and appliance transfers and hookups as necessary.
 - d. Closing and settlement costs related to purchase of replacement dwelling.
 - e. Other expenses determined by the City to be necessary to facilitate the relocation of the homeowner.
6. Planning and Development Services Department staff will also provide assistance and education to applicants as needed, including the following:
- a. Information on the program and re-housing options available.
 - b. Assistance in acquisition or soliciting bids for construction of replacement housing.
 - c. Assistance in contractual compliance between homeowner and contractor.
 - d. Assistance in inspection of construction of replacement dwelling, if applicable.
 - e. Assistance to applicant in evaluation of future housing cost burdens.

J. RECONSTRUCTION AGREEMENT

Each applicant assisted through this Program will sign a HOME Reconstruction or Re-Housing Agreement with the City which defines the overall terms and conditions of the City providing the HRP assistance. Other construction documents will be required to be executed by the applicant during the reconstruction assistance process, but the HOME Reconstruction Agreement will be solely between the City and the applicant, and will be the primary instrument submitted for approval by the City Manager or their designee, before the project may commence.

K. FINAL INSPECTION - CERTIFICATE OF OCCUPANCY

The City of College Station will be responsible for final inspection of all housing units made available through the program to determine that the unit meets all City of College Station and HUD requirements. Final payment will not be made until the City of College Station has issued a Certificate of Occupancy for the reconstructed unit and all items identified in a punch list have been corrected. The owner will also be required to sign-off on the final progress payment document to the contractor. The Certificate of

Occupancy will serve as evidence to HUD of the City's determination that the reconstructed structure is no longer substandard, but has become code compliant and a decent, safe, and sanitary dwelling.

**CITY OF COLLEGE STATION
LEVERAGED HOUSING DEVELOPMENT PROGRAM**

PROGRAM GUIDELINES

Unless herein stated otherwise, the requirements contained in 24 CFR Part 92 (Home Investment Partnerships Program) and 24 CFR Part 570 (Community Development Block Grant Program) will be followed.

A. STATEMENT OF PURPOSE & PROGRAM OVERVIEW

The City of College Station Leveraged Housing Development Program is funded through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG), and Home Investment Partnership Program (HOME) funds. Additionally, the City may utilize other local, state, or federal resources that become available to fund eligible projects under the program.

The Leveraged Housing Development Program is designed to provide affordable housing opportunities, economic development opportunities, job creation, and/or services provided to a limited clientele through a variety of activities that are intended to benefit low-to-moderate income residents in the City of College Station under the City's Community Development Program authorized under Chapter 373 of the Texas Local Government Code. The City of College Station Chapter 373 Community Development Program was established August 8, 2005 by City Council Resolution # 8-8-2005-12.16. Financial or other forms of assistance shall be provided to qualified developer applicants with assistance under the provisions of 24 CFR § 92.252 Home Investment Partnerships Program - Qualification as affordable housing: Rental Housing, 24 CFR § 570.201 Community Development Block Grant - Basic Eligible Activities, and other appropriate sources of assistance.

This may be accomplished in part, with City Council approval, through the acquisition, new development or substantial rehabilitation of affordable housing units which are primarily occupied by low-to-moderate income households, and/or mixed-use developments in which housing units are occupied by low and moderate income households, and 51% of jobs created by the development are held by low and moderate income persons. An eligible development may include owner- or renter-occupied, single-family or multi-family housing units. To qualify for new development or substantial rehabilitation assistance, multi-family developments must have a minimum of eight (8) units.

The basic goals of the Leveraged Housing Development Program are:

- To provide affordable housing opportunities for low income and special needs households.
- To preserve and expand the supply of decent housing available to low-income and special needs renters.
- To create sustainable, mixed-use developments which provide both decent rental housing and jobs for low and moderate-income persons.

B. PROCESS

As need is determined by staff and budgeted funds or other resources are made available, the City will publish a Request for Proposal (RFP) to invite interested, qualified entities to submit a proposal for an eligible development within the corporate limits of the City of College Station. Depending upon the specific situation, the City may also accept applications for the Leveraged Housing

Development Program outside of the RFP process. The proposed development may include the following types of financing and resources:

- Texas Department of Community Affairs (TDHCA) Housing Tax Credit (HTC) funding
- TDHCA Multi-family Bond funding
- Developer equity
- Deferred or waived development fees
- Expedited development review and permitting
- Private or commercial loans
- City Resolution of Support
- A deferred and/or low-interest loan from the City's federal Home Investment Partnership (HOME) and/or Community Development Block Grant (CDBG) funds
- Land, buildings, or other improvements acquired with Community Development Block Grant (CDBG) funds through sale, lease, donation, or otherwise, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in 24 CFR §570.504
- Infrastructure improvements
- Development density bonuses
- Other appropriate resources or services

Approved developer applicants will work collaboratively with the City to implement an approved project. In return for use of the City's resources, the City will have final approval of the project design, and the development will be monitored at a level proportionate to the amount of resources extended to ensure compliance with programmatic requirements.

The approved applicant will perform all activities necessary for success of the development, including, but not limited to:

1. Complete the City's Loan Application and execute the Contract. An application fee in the amount of \$200 shall be due with the application. Funding shall be secured at closing with a Note and Deed of Trust.
2. Work closely with the key staff to evaluate and select an appropriate site, obtain necessary zoning and platting, attend predevelopment meetings, and obtain required permits.
3. Work closely with key staff to complete a successful Housing Tax Credit or Multi-family Bond application to the Texas Department of Housing and Community Affairs if such financing is necessary for the development.
4. Identify and secure necessary private financing.
5. Present the conceptual development to the City in a city-approved format.
6. For TDHCA-funded developments, coordinate and participate in required public meetings, provide necessary public notices, and secure the support of elected representatives and applicable neighborhood associations for the development.
7. Coordinate all aspects of contracting and construction, including all required reporting, submissions, and draw requests.

8. Execute and record a Land Use Restriction Agreement (LURA) preserving the affordability of the housing units in the development for a minimum period of twenty (20) years.
9. Coordinate staffing and marketing of the development.
10. Ensure that the development will pay all applicable city, school and county ad valorem property taxes at least for the life of the LURA.
11. Comply with all federal, state, and local initial and ongoing monitoring requirements. The monitoring fee shall be \$40 per year per HOME-assisted unit. Staff will determine the required number of designated HOME-assisted units in the development based upon the HOME assistance amount and the total number of units in the development.

C. SELECTION CRITERIA

1. After receipt of proposals or applications, City of College Station will use the following criteria in the selection process:
 - 25%** - Developer's qualifications, experience (including recent developments) and references.
 - 30%** - Conceptual development proposal (Weight will be given to developments incorporating green building techniques, recycling forethought, water and energy efficiency, and alternative energy solutions in project design).
 - 25%** - Number and quality of housing units and/or jobs created for low and moderate income persons.
 - 20%** - Timeline and demonstrated commitment to the project.
2. The City Manager or their designee may ascribe differing scoring weights or selection criteria to address particular community needs or programmatic requirements.

D. LOAN INSTRUMENTS OR OTHER FORMS OF PARTICIPATION

1. Upon approval of the City Council, a loan may be made at closing in the form of a deferred, repayable loan from the City's Home Investment Partnerships Program (HOME) funds, Community Development Block Grant (CDBG) funds, or other appropriate funding sources. The amount of funding will be determined dependent upon the benefit, with interest accruing at the Applicable Federal Rate (AFR) at the time of loan disbursement for an agreed upon term, or the term of the Housing Tax Credit or other Compliance Period, whichever is greater.
2. To facilitate the development, City-owned land, buildings, or other improvements acquired with Community Development Block Grant (CDBG) or other sources of funds may be provided through sale, lease, conveyance, or otherwise with City Council approval.
3. Other forms of City participation may be considered on a case-by-case basis by the City Manager or their designee to address particular community needs or programmatic requirements. All forms of assistance will require final approval by the City Council.

4. Proposed developments will not be over-subsidized. They shall receive only the amount of subsidy necessary to bring about a successful, sustainable development. Planning and Development Services Department Staff will perform a Subsidy Layering Analysis of the proposed development to determine the appropriate subsidy level. If the development receives funding through the Texas Department of Housing and Community Affairs (TDHCA), the TDHCA underwriting review will take precedence.

E. HOUSING QUALITY PLAN

1. Structures funded under this program must meet all applicable City codes, ordinances and other requirements.
2. Subject properties will be reviewed with regards to environmental issues as required by federal guidelines in 24 CFR § 92.352 (Environmental review). Properties not eligible for federal assistance due to environmental hazards will be ineligible for this Program.
3. All program-funded rental units must meet or exceed all requirements under 24 CFR § 92.251(a) (Property standards).
4. Final project design shall be submitted to Planning and Development Department staff for approval.

F. SECTION 3 AND DAVIS BACON

1. If the project is assisted under either HOME or CDBG in the amount of \$200,000 or more, the requirements of Section 3 of the Housing and Urban Development Act will apply. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in the area or owned in substantial part by persons residing in the area of the project. The development agreement will require that developers under the Leveraged Housing Development Program will comply with the provisions of Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development as set forth in 24 CFR § 135.
2. If the project is assisted under CDBG or with twelve (12) or more HOME-assisted units, the provisions of the Davis-Bacon and Related Acts (DBRA) shall apply. The Davis-Bacon Act requires the payment of prevailing wage rates (which are determined by the U.S. Department of Labor) to all laborers and mechanics on Federal government construction projects in excess of \$2,000.

G. ANTI-DISPLACEMENT POLICY STATEMENT

1. The City shall not engage or participate in any activities that influence the permanent and involuntary relocation or displacement of any low-income family due to the Leveraged Housing Development Program, pursuant to the provisions of 24 CFR§ 92.353 Displacement, relocation, and acquisition.

2. It is not anticipated that it would be necessary to relocate any families. If the need does arise, the City will follow the relocation procedures as set forth in its adopted Anti-Displacement Policy.

H. EQUAL OPPORTUNITY STATEMENT

The City of College Station is committed to providing equal opportunity for minority or women owned businesses to compete and obtain contracts for City sponsored projects, and will comply with the provisions of 24 CFR § 92.350 (Other Federal requirements and nondiscrimination) and 24 CFR § 92.351 (Affirmative marketing; minority outreach program).

I. FAIR HOUSING POLICY STATEMENT

The City of College Station adopted a Fair Housing Ordinance in 1979, which prohibits discrimination in the sale or rental of housing, and discrimination in the provision of brokerage services. The ordinance also outlines the City's procedures regarding complaints, investigation, cumulative legal effect, unlawful intimidation, education and public information and penalty. The City is not under any court order or decree regarding Fair Housing. Relevant policies and codes have been examined and no exclusionary zoning codes were evident. The City of College Station does not have a rental control ordinance. The City of College Station will comply with the provisions of 24 CFR § 92.351 (Affirmative marketing; minority outreach program).

Information regarding Leveraged Housing Development Program units will be made available to the public through the use of a variety of public meetings, newspaper articles, developer advertising, and press releases may be given to the local media. Information will be made available to local agencies that deal with low-to-moderate income people and families. Planning and Development Services Department staff will be available to speak to organizations or groups of interested individuals. Other methods of program information outreach may be utilized, including utility bill inserts, direct mailing, television advertising, and the City's website.

In addition, the City of College Station will seek technical assistance from the HUD Regional Fair Housing staff in order to ensure that fair housing standards are met.

CITY OF COLLEGE STATION
MINOR HOME REPAIR PROGRAM
PROGRAM GUIDELINES

Unless herein stated otherwise, the requirements contained in 24 CFR Part 570 (Community Development Block Grant Program) and/or 24 CFR Part 92 (Home Investment Partnership Program) will be followed.

A. STATEMENT OF PURPOSE & PROGRAM OVERVIEW

The City of College Station has established a Minor Home Repair Program (MHRP) funded through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Program (CDBG). Additionally, the City may utilize other appropriate local, state, or federal resources that may become available.

The MHRP is designed to provide the financial assistance necessary to accomplish minor repair of eligible, qualified, owner-occupied dwellings. The City's Community Development staff will assist homeowners in planning, implementing, and managing the process to repair substandard features of their dwellings. In addition, the City seeks to impede the acceleration of slum and blighting influences through this activity, as well as preserve and enhance neighborhood quality and integrity. Depending upon applicant eligibility and costs of the project, assistance may be available to applicants under the provisions of 24 CFR § 570.202, Eligible Rehabilitation and Preservation Activities. Eligible project activities will comply with program requirements published in the U.S. Code of Federal Regulations (CFR), as it may be modified over time. The basic goals of this program are:

- To provide emergency and/or necessary repairs to address specific health and safety concerns of homeowners.
- To preserve and enhance the supply of affordable, decent, safe, and sanitary housing available to qualified low-income households.
- To provide applicants information on proactively managing the maintenance of their homes following repair.

Technical and financial assistance is available to low-income, owner-occupant homeowners requiring minor repair to alleviate health/safety issues or address other necessary repairs as determined by program staff and/or other qualified City staff. This program is available on a city-wide basis and is limited to only those properties located within the municipal boundaries of the city. Properties that lie partially within the city limits may be considered on a case-by-case basis.

The MHRP financial assistance shall be managed as follows:

Program staff will assist qualified and approved applicants to make essential repairs to their homes by requiring the applicant to enter into a minor repair assistance agreement with the City. The agreement will allow the use of program funds for the cost of repairs and associated program delivery costs of the project. The agreement must be approved and executed prior to the commencement of any rehabilitation activities.

Because this program is designed to address conditions of immediate need, assistance is provided in the form of a grant of up to \$20,000.00. At the sole discretion of the City Manager or their designee, assistance may be allowed to exceed the amount of \$20,000.00 in order to achieve the objectives of the program.

B. DESIGNATED AUTHORITY

Administrative authority for implementation of this program will rest with the City Manager or their designee. The Planning and Development Services Department will serve as the designated office for approval of contractual agreements and budget changes as needed to accomplish project completion, in accordance with Council-approved purchasing procedures.

The City Manager or their designee will be responsible for authorizing the amount of assistance to be made available to the project, in accordance with the implementing procedures. This determination will be based upon the evaluations of the cost to be incurred by providing the housing assistance and upon the demonstrated needs of eligible applicants.

The City Manager or their designee will also be responsible for approval of applicant eligibility for this program and final approval of selection of applicants to be assisted. This will be based upon relative need of applicants for the specific housing assistance sought.

C. PROGRAM IMPLEMENTATION PROCESS

Steps in implementing the program will be as follows:

The Community Development office (CD office) will create and maintain applications for all housing assistance programs. All applicants shall submit a completed application to the CD office and await an evaluation of eligibility by the appropriate staff member(s). For this Program, applicants are required to hold majority title interest to an improved property within the corporate limits of College Station, which is their permanent place of residence, prior to submitting an application.

Program staff will evaluate all applications for eligibility and prioritize the processing of applications based upon completeness and accuracy of information/documentation and

demonstrated housing need. Program staff will process applications as expeditiously as possible, considering funding limitations and other staff responsibilities as assigned.

Applicants will be notified by phone if they are eligible for participation in the program. If the applicants are not eligible, they will be notified in writing with an explanation of why they do not qualify. Non-qualification issues may include (but are not limited to) income, assets, deed restrictions, title concerns, and/or environmental concerns.

Program staff will meet with the applicant(s) to explain the basic goals and objectives of the program and further assess the needs of the applicant's household that will occupy the dwelling once completed. After the household needs are fully assessed, staff will review the project site to determine any additional repair needs of the home to fully realize a decent, safe and sanitary unit.

Applicant(s) will be involved in several meetings with program staff to ensure proper steps are followed in the repair process of their homes.

Repair work shall be done in accordance with the City's prepared scope of work and in accordance with City purchasing policies.

Program staff will obtain all required close-out documents at project completion.

D. APPLICANT ELIGIBILITY CRITERIA

Eligible applicants of this Program must meet the following qualifications:

1. **Income:** An applicant must have a gross income of 80 percent or less than the College Station/Bryan area median income as reported by HUD. Income will be determined by the provisions of 24 CFR § 92.203 (Income determinations) and 24 CFR § 5.609 (Annual income).
2. **Assets:** Applicants will not be eligible for this program if, upon application, they have assets exceeding \$30,000 on hand. IRS-recognized savings accounts are excluded.
3. **Principal Residence and Homestead:** Applicants will be required to certify that they intend to occupy the repaired dwelling as their principal residence upon project completion.
4. **Employment History:** Applicants must have an employment history in the same job, or in the case of professional, salaried employees (as defined in 29 CFR § 541 meeting any of the requirements in Subparts B, C, D, E, or F), in the same field of employment, for a minimum of two (2) months.

5. Citizenship: In order to receive program assistance, applicants must be United States Citizens, U.S. Non-Citizen Nationals, or Qualified Aliens as defined by Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Qualified alien status will be verified by the Citizenship and Immigration Services division of the U.S. Department of Homeland Security.

E. ELIGIBLE PROPERTY CRITERIA

Property eligible for Program assistance is subject to the requirements of 24 CFR § 570.202 and as follows:

1. Location: The Program will be implemented on a city-wide basis within the corporate limits of the City of College Station. Properties that lie partially within the corporate limits will be considered on a case-by-case basis. However, program preference will rest with properties wholly in the City.
2. Property Type: Eligible properties must be improved, single-family residential lots, which are:
 - a. The principal residence of the applicant, and
 - b. Needing minor repairs but structurally sound, and
 - c. Have all utility service connections available to the property.
3. Title: The applicant household must hold majority title to the property. An existing mortgage will not prohibit participation in the program.
4. All eligible properties, following rehabilitation, shall not exceed 95% of the maximum amount insurable under Section 203(b) of the National Housing Act (FHA lending limit) for the College Station/Bryan area.
5. Manufactured Housing: Manufactured housing units are not eligible for program assistance unless:
 - a. The property on which the manufactured home sits is owned by the applicant; and
 - b. The property is properly zoned; and
 - c. The applicant has resided in the home and on that site for not less than two years prior to the application date.
6. Property Taxes: all property taxes must be current. With approval from the Community Services Department Director, properties with tax deferral for tax payers 65 years of age or older under the Texas Tax Code, Section 33.06 will be acceptable.

F. FEASIBILITY OF MINOR REPAIR

Minor home repair projects eligible for this program include:

1. Addressing health/safety issues
 - a. Replacement of an air conditioning/heating systems
 - b. Replacement of a water heater system
 - c. Water/sewer/gas line breaks
 - d. Electrical system failures
 - e. Ordinance Compliance
 - f. Other minor repairs necessary to ensure safe living conditions
2. Exterior home repairs/structural integrity issues
 - a. Minor weatherization
 - b. Roofing repair or replacement
 - c. Minor gutter installation
 - d. Walkway repair or replacement
 - e. Siding or exterior trim repair
 - f. Other minor repairs necessary to ensure exterior home repairs and structural integrity.

G. SELECTION OF RECIPIENTS FOR ASSISTANCE

1. Recipients for assistance of this program will be taken from the applications of eligible homeowners residing in structures in need of minor repair determined to be structurally sound by program staff.
2. The number of recipients to receive assistance will be subject to general availability of funds.
3. Community Development staff will evaluate all applications of eligible homeowners whose structures are determined to be feasible to rehabilitate. Based upon this evaluation, a recommendation will be made to the City Manager or their designee as to the order of applicants to be assisted. Generally, those in the most imminent danger to personal health or safety will be extended priority under the program.
4. Criteria to be used to make this evaluation will include the following items listed in priority order:
 - a. Degree of threat to health and safety of occupants presented by continuance of residing in the structure. This will include evaluation factors such as availability of basic services including water, sewer, electricity, and structural deficiencies of the home.

- b. Health and disability of occupants which necessitates the home to undergo handicapped accessible construction because of the owner's existing situation.
- c. Time and date that all application requirements are met.
- d. Time and date of application.

H. FORMS OF ASSISTANCE AND ALLOWABLE EXPENSES

Minor home repair assistance shall be in the form of a grant, through federal CDBG funds. The allowable budget authority for minor repair assistance shall not exceed Twenty Thousand and No/100 Dollars (\$20,000.00) per applicant for eligible project costs. Homeowners are limited to one (1) minor repair project every twenty-four (24) months. At his/her sole discretion, the Community Services Department Director may allow subsequent minor repair projects to occur sooner to accomplish other City or program objectives, or upon significant demonstration of extraordinary circumstances.

I. MINOR REPAIR AGREEMENT

Each applicant assisted through this program will sign a Minor Home Repair Agreement with the City which defines the overall terms and conditions of the City providing the MHRP assistance. Other construction documents will be required to be executed by the applicant during the repair assistance process.

J. FINAL INSPECTION

The City of College Station will be responsible for final inspection of all housing units made available through the program to determine that the unit meets all City of College Station and HUD requirements.

CITY OF COLLEGE STATION
HOUSING REHABILITATION PROGRAM
PROGRAM GUIDELINES

Unless herein stated otherwise, the requirements contained in 24 CFR Part 92 (Home Investment Partnerships Program) and/or 24 CFR Part 570 (Community Development Block Grant Program) will be followed.

A. STATEMENT OF PURPOSE & PROGRAM OVERVIEW

The City of College Station has established a Housing Rehabilitation Program (HRP) funded through the U.S. Department of Housing and Urban Development (HUD) Home Investment Partnerships Program (HOME). Additionally, the City may utilize other appropriate local, state, or federal resources that may become available.

The HRP is designed to combine various financial resources necessary to accomplish rehabilitation of eligible, qualified, owner-occupied dwellings. The City's Community Development staff will assist homeowners in planning, implementing and managing the process to rehabilitate their substandard dwellings. In addition, the City seeks to impede the acceleration of slum and blighting influences through this activity, as well as preserve and enhance neighborhood quality and integrity. Depending upon applicant eligibility and costs of the particular project, assistance may be available to applicants under the provisions of 24 CFR § 92.254 Qualification as affordable housing: Homeownership and 24 CFR § 570.202, Eligible Rehabilitation and Preservation Activities. Eligible project activities will comply with the respective program requirements published in the U.S. Code of Federal Regulations (CFR), as it may be modified over time. The basic goals of this Program are:

- To preserve and enhance the supply of affordable, decent, safe, and sanitary housing available to qualified low-income households.
- To provide support training and educational activities to low-income applicants seeking to rehabilitate their sub-standard homes.
- To provide applicants information regarding loan finance options to accomplish necessary rehabilitation activities required to bring their sub-standard dwelling into a code compliant standard condition.
- To provide applicants information on proactively managing the maintenance of their homes following rehabilitation.

This program is designed to provide technical and financial assistance to low-income, owner-occupant homeowners seeking to rehabilitate their sub-standard residential structures into decent, safe and sanitary dwelling units. This program is available on a city-wide basis and is limited to only those properties located within the municipal boundaries of the city. Properties that lie partially within the city limits may be considered on a case-by-case basis.

The HRP financial assistance shall be managed as follows:

Program staff will assist qualified and approved applicants to rehabilitate their substandard housing by requiring the applicant to enter into a rehabilitation assistance agreement with the City. The agreement will allow the use of program funds for rehabilitation and associated program delivery costs of the project. The agreement must be approved and executed prior to the commencement of any rehabilitation activities. All project costs (excluding staff time and soft costs necessary for program delivery) shall be compiled at project completion into a permanent financing loan, secured by a lien. Repayment of the loan shall be in accordance with the terms and conditions defined in program legal instruments. Applicants will have the option of pre-payment of costs at any time during the project, and prior to permanent financing, if they so desire.

Upon completion of construction activities, applicant shall close on the loan.

All assistance will be in the form of a mixed loan – up to half of the assistance amount in the form of a deferred, 0% interest, forgivable loan amortized using a monthly rate based on the number of months in a ten (10) year lien period. The loan will be forgiven at this rate over the ten (10) year lien period. The remainder will be in the form of a 0% interest deferred loan. One hundred percent repayment of the borrowed amount is due when the borrower no longer owner occupies the property as their principal residence.

The mortgage note and deed restrictions shall be enforced either by the Planning and Development Services Department, a commercial lending institution or by a not-for-profit entity.

B. DESIGNATED AUTHORITY

Administrative authority for implementation of this Program will rest with the City Manager or their designee. The Planning and Development Services Department will serve as the designated office for approval of contractual agreements and budget changes as needed to accomplish project completion, in accordance with Council-approved procedures.

The City Manager or their designee will be responsible for authorizing the amount of assistance to be made available to the project in accordance with the implementing procedures. This determination will be based upon evaluations of the costs to be incurred by providing the housing assistance and upon the demonstrated needs of eligible applicants.

The City Manager or their designee will also be responsible for approval of applicant eligibility for this program and final approval of selection of applicants to be assisted. This will be based upon relative need of applicants for the specific housing assistance sought.

C. PROGRAM IMPLEMENTATION PROCESS

Steps in implementing the Program will be as follows:

1. The Planning and Development Services Department (P&DS) will create and maintain applications for all housing assistance programs. All applicants shall submit a completed application to P&DS, and await an evaluation of eligibility by the appropriate staff member(s). For this particular Program, applicants are required to hold majority title interest to an improved property within the corporate limits of College Station, which is their permanent place of residence, prior to submitting an application. A \$25 non-refundable application fee will be required to process the application under this program.
2. Program staff will evaluate all applications for eligibility and prioritize the processing of applications based upon completeness and accuracy of information/documentation and demonstrated housing need. Program staff will process applications as expeditiously as possible, considering funding limitations and other staff responsibilities as assigned.
3. Applicant(s) will be notified by phone if they are eligible for participation in the program. If the applicant(s) are not eligible, they will be notified in writing, with an explanation of why they do not qualify. Non-qualification issues may include (but are not limited to) income, assets, deed restrictions, title concerns, environmental concerns and/or household make-up.
4. Once the applicant is deemed eligible, they will be required to sign an agreement with the City before commencing with the rehabilitation process of their property.
5. Program staff will meet with the applicant(s) to explain the basic goals and objectives of the program and further assess the needs of the applicant(s) household that will continue occupying the dwelling as their principal residence once completed. After the household needs are fully assessed, staff will assess the project site to determine

any additional rehabilitation needs of the home in order to fully realize a decent, safe and sanitary unit. Program staff will make every effort, while crafting a plan for the home rehabilitation, to incorporate the City's most current Green Building Standards into the project scope. Any incentives offered from federal, state or local agencies for conformance with Green Build Standards shall be accessed by the program as appropriate and when applicable.

6. Applicant(s) will be involved in several meetings with program staff to ensure proper steps are followed in the rehabilitation process of their homes. The applicant may also be required to accompany program staff to appear before City planning boards and/or commissions to request variances or approval of special circumstantial development needs.
7. Applicant(s) will be responsible for their own relocation arrangements, if needed, during the rehabilitation period. Necessary relocation expenses may be eligible for reimbursement under the City of College Station's Optional Relocation Policy. The City may be able to provide up to \$4,500 for qualified eligible expenses.
8. Once the rehabilitation plan has been completed, and any other City required approvals have been accomplished, program staff will place the project out for bid to approved contractors in compliance with the City's procurement and process regulations. Prior to bid, program staff will prepare a construction estimate by which to compare submitted bid amounts. Should submitted bids prove to be more than 10% of the construction estimate, the applicant will have the option to reject all bids and re-bid the project, or select the lowest responsible bidder (if program staff deems the lowest responsible bid reasonable within the project estimate). Applicant (Owner) will then enter into a construction contract with the lowest responsible bidder (Contractor), allowing the City to be the Owner Representative through the construction process, attending to progress payments and change orders in a timely manner on behalf of the Owner.
9. Program staff will obtain all required close-out documents at project completion and the loan closing will be scheduled.
10. Homeowners will be required to comply with all terms and conditions of their program agreement until all of the terms of their loan have been satisfied. Due to the type and source of funding, homeowners provided assistance through this program can expect rigorous enforcement of the terms and conditions of their loans.

D. APPLICANT ELIGIBILITY CRITERIA

Eligible applicants of this Program must meet the following qualifications:

1. **Income:** An applicant must have a gross income of 80 percent or less than of the College Station/Bryan area median income as reported by HUD. Income will be determined by the provisions of 24 CFR § 92.203 (Income determinations) and 24 CFR § 5.609 (Annual income).
2. **Assets:** Applicants will not be eligible for this program if, upon application, they have assets exceeding \$30,000 on hand. Retirement funds in IRS recognized retirement accounts are excluded. The City Manager or their designee may waive this requirement if necessary to accomplish other City or program objectives, or under extraordinary circumstances.
3. **Principal Residence and Homestead:** Applicants will be required to certify that they intend to occupy the rehabilitated dwelling as their principal residence upon project completion. Occupancy will be determined through verification of utility consumption, and other verifications determined acceptable and/or necessary by the City, on an annual basis.
4. **Citizenship:** In order to receive program assistance, applicants must be United States Citizens, U.S. Non-Citizen Nationals, or Qualified Aliens as defined by Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Qualified alien status will be verified by the Citizenship and Immigration Services division of the U.S. Department of Homeland Security.

E. ELIGIBLE PROPERTY CRITERIA

Property eligible for Program assistance is subject to the requirements of 24 CFR § 92.254 (Qualification as affordable housing: Homeownership) and as follows:

1. **Location:** The Program will be implemented on a city-wide basis within the corporate limits of the City of College Station. Properties that lie partially within the corporate limits will be considered on a case-by-case basis. However, program preference will rest with properties wholly in the City.
2. **Property Type:** Eligible properties must be improved, single-family residential lots, which are:
 - a. The principal residence of the applicant, and

- b. Substandard but structurally sound, and
 - c. Have all utility service connections available to the property.
3. Title: The applicant household must hold majority title to the property. An existing mortgage will not prohibit participation in the program.
 4. All eligible properties, following rehabilitation, shall not exceed the HOME Program limits prescribed in 24 CFR § 92.254(a)(2)(iii).
 5. Property Size: Eligible properties may not exceed two (2) acres in size. The City Manager or their designee may waive this requirement if necessary to accomplish other City or program objectives, or under extraordinary circumstances.
 6. Manufactured Housing: Manufactured housing units are not eligible for program assistance.

F. LOAN INSTRUMENTS

1. The HRP shall use loan instruments (real estate lien note, deed of trust, mechanic's lien contract, mechanic's lien note and transfer of lien) adapted to this program in order to provide financial assistance to eligible applicants.
2. Program loan instruments shall require that the property must be maintained to meet all applicable City codes, including code enforcement ordinances, community appearance and development standards.
3. Refinancing of the first mortgage for the purpose of the reduction of monthly payments, term or interest rate is acceptable, however, refinancing which results in any cash being received by the homeowner is not allowed. In order to refinance, the rehabilitation cost must exceed the amount of debt that is refinanced with HOME funds.
4. The City shall have the prior right to purchase the ownership interest in the property from the initial HRP homeowner for the amount specified in a firm contract between the homeowner and a prospective buyer. The City shall have 10 business days after receiving notice of the firm contract to decide whether to exercise its right and 60 additional calendar days to complete closing of the property.

5. **Military Deployment** – In the event that the homeowner is deployed on active duty, if the home is occupied by the homeowner's dependents, the rehabilitation loan will continue to be deferred.

G. FEASIBILITY OF REHABILITATION

1. Feasibility of rehabilitation of property to minimum program standards will be made following a detailed inspection of the property by program staff. This inspection includes completing a list of deficiencies which must be corrected in order to bring the structure into compliance with HUD requirements and all applicable City of College Station codes and expectations.
2. Feasibility of rehabilitating structures under established program limits will be determined by an assessment of the following two criteria:
 - a. The estimate of costs needed for all required repairs and renovations must fall within program limits.
 - b. For all required renovations, rehabilitation costs shall not exceed 75% of the total estimated post-rehabilitation value for the structure.
3. Units not meeting these standards will be determined infeasible for rehabilitation assistance.

H. SELECTION OF RECIPIENTS FOR ASSISTANCE

1. Recipients for assistance of this program will be taken from the applications of eligible homeowners residing in substandard structures determined to be structurally sound by program staff.
2. The number of recipients to receive assistance will be subject to general availability of funds.
3. Planning and Development Services Department staff will evaluate all applications of eligible homeowners whose structures are determined to be feasible to rehabilitate. Based upon this evaluation, a recommendation will be made to the City manager or their designee as to the order of applicants to be assisted. Generally, those in the most imminent danger to personal health or safety will be extended priority under the program.

4. Criteria to be used to make this evaluation will include the following items listed in priority order:
 - a. Degree of threat to health and safety of occupants presented by continuance of residing in the structure. This will include evaluation of factors such as availability of basic services including water, sewer, electricity, and structural deficiencies of the home.
 - b. Health and handicapping disabilities of occupants which necessitates the home to undergo handicapped accessible construction because of the owner's existing situation.
 - c. Time and date that all application requirements are met.
 - d. Time and date of application.

I. FORMS OF ASSISTANCE AND ALLOWABLE EXPENSES

1. The primary form of general housing rehabilitation assistance will be federal HOME funds to pay for eligible program costs. The allowable budget authority for rehabilitation assistance shall not exceed Fifty Thousand and No/100 Dollars (\$50,000.00) per applicant for eligible project costs (excluding program staff costs). The City Manager or their designee may increase this amount if necessary to accomplish other City or program objectives, or under extraordinary circumstances. Any additional costs will be financed by owner proceeds or by an additional loan from a private lender.
2. The City of College Station shall hold first lien position on the loan for the duration of the lien period. However, in extreme and isolated situations where first lien position is not feasible, the City may accept a lower lien position subject to the review and approval of the City Manager or their designee. The lien shall be released upon repayment. The full amount of assistance may be repaid at any time. The repayment half of the loan is due in full when that household no longer resides in the home as their principal residence. The other half of the assistance will be in the form of a deferred, forgivable loan amortized using a monthly rate based on the number of months in a ten (10) year lien period to be placed on all rehabilitated dwellings. The loan will be forgiven at this rate over the ten (10) year lien period. If the house is sold or transferred before the lien period expires, the homeowner gets credit for every month spent in the house. The credit is subtracted from the total loan amount, which is then owed and due to the Planning and Development Services Department and received and used thereof as program income.