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.

H. 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.

6. 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.

7. 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.

8. Applicants falsifying information will be disqualified from participating in the program and may be subject to criminal prosecution.

9. Applicants denied for HDAP can reapply no earlier than six (6) months from the date of original application.

10. 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. <u>ANTI-DISPLACEMENT POLICY STATEMENT</u>

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. <u>EQUAL OPPORTUNITY STATEMENT</u>

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. <u>FAIR HOUSING POLICY STATEMENT</u>

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. <u>STATEMENT OF PURPOSE & PROGRAM OVERVIEW</u>

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

3. Feasibility of demolition and reconstruction of property to minimum program standards will be made following a detailed inspection of the property by program staff.

4. 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. <u>SELECTION OF RECIPIENTS FOR ASSISTANCE</u>

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.

5. 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.

6. 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 Cit 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. <u>STATEMENT OF PURPOSE & PROGRAM OVERVIEW</u>

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 my 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. ELIGIBILE PROPERTY CRITERIA

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

7. 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.

8. 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.

9. Title: The applicant household must hold majority title to the property. An existing mortgage will not prohibit participation in the program.

7. 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.

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

   d. The property on which the manufactured home sits is owned by the applicant; and

   e. The property is properly zoned; and

   f. The applicant has resided in the home and on that site for not less than two years prior to the application date.

9. 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.