3. Program intent is to maintain owner-occupancy in the rehabilitated dwellings. In the event of a sale, transfer of ownership or renting of the property 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.

J. REHABILITATION AGREEMENT

Each applicant assisted through this Program will sign a HOME Rehabilitation 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 rehabilitation assistance process, but the Rehabilitation Agreement will be solely between the City and the applicant, and will be the primary instrument submitted for City Manager approval, 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 renovated 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 renovated structure is no longer substandard, but has become code compliant and a decent, safe, and sanitary dwelling.

CITY OF COLLEGE STATION

RENTAL REHABILITATION LOAN 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.

I. STATEMENT OF PURPOSE & PROGRAM OVERVIEW

The City of College Station has established a Rental Rehabilitation Loan Program (RRLP) funded through the U. S. Department of Housing and Urban Development (HUD) with HOME Investment Partnership Program (HOME) and/or Community Development Block Grant (CDBG) funds. The City may also utilize local, state, or federal resources that may become available.

The RRLP is designed to combine various financial resources necessary to encourage property owners (Owner) to rehabilitate existing rental property in order to increase the supply of decent, affordable housing for lower income families and to preserve existing rental housing stock. The City will provide loans of up to 90% of the amount necessary for improvements that meet the parameters identified in these guidelines. The basic goals of this Program are:

- To preserve, enhance, and increase the supply of affordable, decent, safe, and sanitary housing available to qualified low- and moderate-income and special needs renter households.

- Maintain the affordability for low- and moderate-income households by reducing energy consumption and costs.

This program is designed to provide technical and financial assistance to owners of qualified rental units who are seeking to rehabilitate structures into decent, safe, sanitary and affordable 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.

Assisted units are required to provide affordable rents for the set affordability period. The Planning and Development Services Department will administer this program for the City of College Station.

II. 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 loan assistance to be made available to the project in accordance with the implementing procedures. This determination will be based upon evaluations of the application, cost to be incurred by providing assistance, and community benefit of project(s) proposed.

The City Manager or their designee will also be responsible for approval of applicant eligibility for this program and final approval of projects to be assisted. This will be based upon the feasibility of proposed project.

III. PROGRAM IMPLEMENTATION

Steps in implementing the Program will be as follows:

Planning and Development Services will create and maintain applications for the RRLP. Applications may be submitted in response to a Request for Proposal or at any time during the program year. Proposals will be reviewed and funded based on the availability of funds and dependent upon the eligibility, feasibility, and benefit to the community.

Planning and Development Services staff will evaluate all applications for eligibility and prioritize the processing of applications based on parameters defined in Sections VII. Applications will be processed as expeditiously as possible. Owners will be notified of their application's status. The Owner will be required to sign a program agreement with the City committing to the rehabilitation, loan terms, affordability requirements, and other federal requirements.

Owner and Planning and Development Services staff will work together to develop a scope of work based on the information submitted in the application. The scope of work will be developed in a way to minimize the permanent displacement of tenants who occupy the structure prior to rehabilitation. Planning and Development Services staff will ensure that the scope of work includes all requirements to meet specific codes and federal regulations. Owner will be required to accompany Planning and Development Services staff to appear before City Council as needed to request approval.

Planning and Development Services staff will monitor all federal program requirements, obtain all required close-out documents at project completion, and service the loan upon closing for the duration of the loan.

Owner 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. Planning and Development Services staff will monitor the project for the affordability period to determine compliance with low income rental requirements. Due to the type and source of funding, Owners receiving a loan through this program can expect rigorous enforcement of the terms and conditions of their loan.

IV ELIGIBILITY REQUIREMENTS

A. The Owner must:

1. Be the owner of the property proposed for rehabilitation. Any legally acceptable form of ownership (e.g. partnership, corporation, individual) is eligible, provided that the applicant has control of the property and the authority to enter into legally binding financial commitments.

2. Exhibit the ability to pay all monthly expenses on the property, repay the loan(s) associated with the proposed project, and maintain the property in its post-assistance condition for the duration of the affordability period.

3. Enter into a Rehabilitation Agreement with the City either individually, or in the case of a corporation, by an authorized representative/principal(s) on behalf of the corporation, with an express warranty that the representative/principal(s) has been authorized to execute the Rehabilitation Agreement on behalf of the corporation

4. Be in good standing with the City of College Station with any previously awarded federal funds. This means that the applicant organization should be within 30 days current on any loan payments due, be within 30 days current on all required program and financial reporting, and not have any outstanding or unresolved monitoring findings from previous contracts or agreements.

5. Must be current on all property taxes and utility payments that are due and payable on the proposed property.

6. Contribute a minimum of 10% of the total project cost from sources other than City funds.

7. Owner must demonstrate that they have equity in the property at least equal to twenty percent (20%) of the market value of the property.

B. Eligible Property Types

1. Home rental projects may be one or more buildings on a single site, or multiple sites that are under common ownership, management and financing.

   a. The project must be assisted with HOME funds as a single undertaking.

   b. The project includes all activities associated with the site or building.

2. Must be appraised by an appraiser selected and/or approved by the City, and the appraisal must show a value sufficient after rehabilitation to satisfactorily support at least 100% of the project's debt which will exist after rehabilitation/construction.

3. The overall debt to after rehabilitation value shall not exceed one hundred percent (100%).

4. Must be insured in an amount sufficient to fully protect the public investment with the insurance policy naming the City as "loss payee".

5. A building inspection is required by a licensed architect, engineer, and/or the City upon submission of an application. Results of the inspection must be consistent with information provided in the application. Existing buildings may be considered eligible for rehabilitation assistance if there are at least (2) major conditions that do not comply with either the International Building Codes adopted by the City of College Station, or federal Section 8 Housing Quality Standards. This may include the following:

   a. Structural – Noncompliance with Building Code and Section 8 Housing Quality Standards such as fire egress requirements, over-spanned roof/ceiling joists, tenant separation fire walls and other code items that are necessary to bring the property up to current standards or that threaten the health and safety of residents

   b. Plumbing – Sewer drain lines, plumbing fixture venting and rough-ins, washer connections, water lines, gas lines, outdated water heaters and plumbing fixtures

   c. Mechanical – Heating/Cooling systems, ductwork, direct-air venting

   d. Electrical – Non-grounded systems, obsolete electrical panels, AFCI and GFCI receptacles, exterior waterproof receptacles, minimum required receptacles, exterior lighting, smoke and carbon monoxide detectors

   e. Energy – Insulation values, door and window energy ratings, appliances

   f. Accessibility – Accessible parking and routes, visitability, ramps, grab bars, sensory (deaf or blinded) equipment (HUD requirement), bathroom and kitchen modifications

6. Must have an assessment and possible abatement of lead-based paint if required. A HUD environmental review will be performed by the City.

7. Upon project completion, each of the following major systems must have a remaining useful life for a minimum of 15 years or the major systems must be rehabilitated or replaced as part of the rehabilitation work: structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning.

8. Rental properties must be residential units.

C. Ineligible Property Types

1. Properties previously financed with HOME during the affordability period cannot receive additional HOME assistance unless assistance is provided during the first year after project completion.

2. HOME funds may not be used for development, operations or modernization of public housing finances under the 1937 Act (Public Housing Capital and Operating funds).

3. Projects assisted under 24 CFR Part 248 (Prepayment of Low-Income Housing Mortgages) may not receive HOME funds, unless assistance is provided to "priority purchasers" of such housing.

    a. A priority purchaser is a resident council organized to acquire a project in accordance with a resident homeownership program, or any nonprofit organization or state or local agency that agrees to maintain low-income affordability restrictions for the remaining useful life of the project. Organizations or agencies affiliated with a for-profit entity for the purposes of purchasing a property do not qualify as priority purchases.

D. Eligible Tenants

a. Owner may not refuse to lease HOME-assisted units to a certificate or voucher holder under the Section 8 Program, or to a holder of a comparable document evidencing participate in a HOME tenant-based rental assistance (TBRA) program, because of the status of the prospective tenant as a holder of such certificate, voucher or comparable HOME TBRA document.

b. Owner will utilize the Section 8 Program Part 5 definition of annual (gross) income.

c. Before the tenant occupies a unit, tenant eligibility must be documented as prescribed by the City with source documents, such as wage statements, interest statements, and unemployment compensation statements.

d. Owner must recertify tenant income on an annual basis.

E. Leases

a. The lease between the Owner and Tenant must be for at least one year.

b. The lease between the Owner and Tenant cannot contain any of the following provisions:
    1. Agreement to be sued: Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.

    2. Treatment of property: Agreement by the tenant that the owner may seize or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This provision does not apply to disposition of personal property left by a tenant who has vacated a property.

3. Excusing Owner from responsibility: Agreement by the tenant not to hold the Owner or the Owner's agent legally responsible for any action or failure to act, whether intentional or negligent.

4. Waiver of notice: Agreement of the tenant that the Owner may institute a lawsuit without notice to the tenant.

5. Waiver of legal proceeding: Agreement of the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding win which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

6. Waiver of right to appeal court decision: Agreement by the tenant to waive the tenant's right to appeal or to otherwise challenge in a court a court decision in connection with the lease.

7. Tenant chargeable with cost of legal actions regardless of outcome: Agreement by the tenant to pay attorney's fees or other legal cost, even if the tenant wins in court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

c. Owners may terminate tenancy or refuse to renew a lease only upon 30-days' written notice, and only for serious or repeated violation of the terms and conditions of the lease; violation of applicable federal, state or local law; completion of the tenancy period for transitional housing or for other good cause.

d. Owner of HOME-assisted rental housing must adopt written tenant selection policies and criteria that:

1. Are consistent with the purpose of providing housing for very-low and low-income households;

2. Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;

3. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and

4. Give prompt written notification to any rejected applicant of the grounds for any rejection.

V. <u>FORMS OF ASSISTANCE AND ALLOWABLE EXPENSES</u>

1. RRLP assistance shall be in the form of a 0% interest loan with quarterly payments for a specified term. The quarterly payment amount will be determined by the amount of the loan divided by the number of years of the loan divided by four.

   25% of the total loan amount may become forgivable at the end of the specified term for proposals that address the first three priorities in Section VII: 1. Bring property up to City Code & HQS Standards (up to 10% forgiven), 2. System upgrades (up to 10% forgiven) and 3. Energy conservation upgrades (up to 5% forgiven). The quarterly payment amount will be adjusted to reflect this forgivable portion.

2. The maximum assistance amount will be based on Section 221(d) (3) program limits for the metro area and will be subject to funding availability. The minimum loan will be $5,000 per unit. The Owner must comply with the terms of the note and deed of trust executed at loan closing.

   If the Owner violates terms of the note and Deed of Trust, the remaining principal of the loan, any amounts that would have been forgiven, plus a penalty equaling the amount of interest that would have been amortized at a 5% interest rate over the specified term will be due immediately.

3. HOME funds may be used to refinance existing debt if the HOME funds are used to rehabilitate the property and the refinancing is necessary to permit or continue affordability. Refinancing cannot be the primary purpose of the HOME Investment. HOME funds cannot be used to refinance Federal debt.

4. Program intent is to maintain affordable, decent, safe and sanitary rental units for low-income households. In the event of a sale or transfer of ownership, the following conditions must apply to avoid default:

   a. The Owner must sell repay the full amount of assistance including the penalty described in Section III (2) while still maintaining the affordability period; or

   b. Following approval from the Director, Owner may offer the assumption of the loan and requirements to the buyer.

5. Eligible project costs include construction costs, architectural and engineering fees; financing costs such as private lender origination fees, credit reports, fees for title evidence, recording costs, building permits, attorneys fees, private appraisal fees and fees for an independent cost estimate, builders' or developers' fees; affirmative and fair housing marketing costs; management costs; environmental review costs, relocation costs, and any other reasonable costs.

VI. LONG TERM AFFORDABILITY & RESTRICTIONS

1. Affordability Period:

   HOME-assisted rental units carry rent and occupancy restrictions for varying lengths of time, depending upon the average amount of HOME funds invested per unit. The minimum affordability period is as follows:

<$15,000 per unit	= 5 years
$15,000 to $40,000 per unit	= 10 years
$40,000 per unit	= 15 years

2. Initial "HOME rents":

   Every HOME-assisted unit is subject to rent limits designed to help make rents affordable to low income households. These maximum rents are referred to as "HOME Rents". HUD will annually publish Fair Market Rents (FMR) for this area. Planning and Development Services staff must establish monthly rents and allowances for utilities for HOME-assisted rental projects based on FMR's. See Attachment 1.

3. Restrictions:

   a. If five or more units are included in the project, at least 20 percent must be designated low HOME rent units that are rented to tenant households having a gross annual income of 50% AMI or less.

   b. If units are occupied at time of project initiation by tenants who are not low-income, upon the unit becoming vacant, the Owner shall lease that vacated unit to an eligible low-income household.

   c. No conversion to condominiums or any type of cooperative ownership for the duration of the loan.

   d. Owner must comply with the City's Fair Housing Ordinances and the U.S. Department of Housing and Urban Development Fair Housing Standards.

   e. The project must be maintained in standard condition for the duration of the lien as defined by HUD's Housing Quality Standards (HQS) and City ordinances.

   f. Owner must comply with the City's Anti-Displacement Policy (Attachment 2).

   g. Owner must affirmatively market vacant units to low-income households for the affordability period and adhere to the City's Affirmative Marketing Policy (Attachment 3).

   h. Owner will provide, in a timely manner, information necessary to determine compliance with the RRLP during the term.

i. Owner must comply with federal employment and contracting rules (Equal Opportunity Employment, Section 3, Minority/Women Employment, Davis-Bacon, Conflict of Interest, and Debarred Contractors).

j. Construction plans for projects must be sealed by an architect or engineer if the number of stories, dwelling units, use classification, or total square footage exceeds the minimum thresholds set forth in the City Building Code, the Texas Engineering Practice Act, or by the Texas Board of Architectural Examiners. The architect/engineer must be available for consultations, meetings, and site inspections for the duration of the project. Plans for projects not exceeding these minimum thresholds do not require the seal of an architect or engineer. However, the person who designs a project not requiring a seal must be available for consultation, meetings, and site inspections, and be responsible for monitoring the project and approving progress payments through completion.

VII. SELECTION CRITERIA AND PRIORITY

Applications for RRLP funding will be reviewed and evaluated using the following criteria:

a. Type of improvements: Projects incorporating improvements beyond City codes and HUD's Housing Quality Standards (HQS) are encouraged to the extent allowed by regulation.

b. Financial Feasibility: Procedures will include an evaluation of the Owner's financial capacity.

c. Overall benefits to low-income tenants.

Applications will be given priority based on the following proposed improvements:

1. Bring property up to City Code & HQS Standards
2. System upgrades
3. Energy conservation
4. Exterior repairs
5. Upgrade marketability

VIII. RELOCATION

The owner of any property rehabilitated under the Rental Housing Program will be expected to cooperate with the City to provide financial and advisory services, as described in the City's Anti Displacement Strategy, to all tenants who are permanently or temporarily displaced as a result of the project.

IX. ELIGIBLE AREAS

The RRLP will be available on a citywide basis in an effort to increase the availability of standard units made financially available. This activity is in compliance with the City's Consolidated Plan and Annual Action Plan priorities to provide low-income housing on a citywide basis.

X. FILES AND RECORDS

The Planning and Development Services Department shall maintain accurate files and records on each project and all documentation pertinent to the applicant shall be included. Such files shall be open for inspection as to qualifications, bid procedures, inspections of work, and payments of federal share of the project.

The Owner will be required to maintain accurate files and records on each unit rehabilitated under the RRLP. Such files shall be open for inspection by local, state, and federal authorities to verify compliance with all program requirements. Additionally, the Owner will be required to file annual reports to the City for the entire term of the note.

Within 90 days of the date of issuance of a Certificate of Occupancy for the project, the owner must furnish to the City data on the income characteristics of tenants occupying the structure initially after rehabilitation/construction.

XI. BIDDING PROCEDURES AND CONTRACTOR SELECTION

Contractors and sub-contractors must be selected in accordance with applicable federal and state laws.
The owner is responsible for securing all appropriate building permits and ensuring the final inspections of all permits are performed and approved by the City. Upon completion the City, and if appropriate, the lender will make a final inspection before the construction work will be approved and accepted. The owner is solely responsible for the terms of the contract between the owner and the contractor.

A. Selection of a General Contractor

If the total loan amount is $49,999 or less, the owner will be responsible for obtaining and documenting a minimum of three written bids from qualified sources. Copies of the quotations must be submitted to the Planning and Development Services Department prior to the owner's award of the contract.

If the total loan amount will or could exceed $50,000, the owner will be responsible for obtaining competitive bids from a minimum of two qualified, responsible contractors. Contractors must submit an itemized bid using the work write-up prepared by the owner and approved by the Planning and Development Services

Department. Copies of the bids must be submitted to Planning and Development Services prior to the owner's award of contract. In the event the owner awards the contract other than to the lowest responsible bidder, the owner must pay the difference between the selected bidder and the low bidder.

A copy of the executed contract must be submitted to the Planning and Development Services Department prior to the start of construction. The approved contractor must be licensed, and provide proof of appropriate insurance coverage, covering the total cost of the rehabilitation work and including but not limited to worker's compensation, general liability, and personal liability. Recipient shall not award contract to any person that has been debarred, suspended, proposed for debarment, or placed on ineligibility status by U.S. Department of Housing and Urban Development.

B. Owner Performs Rehabilitation Work as General Contractor

If the City determines the owner (or members of the owner's family) has sufficient construction skills and possessed all required licenses, the owner may be allowed to perform the rehabilitation work. The owner will be required to identify the specific work items which will be accomplished by the owner. If an owner anticipates acting as the general contractor, sufficient information must be provided in the project proposal to allow the City to evaluate the owner's capacity to act as the general contractor.

The owner may act as the general contractor and enter into subcontracts afer securing a minimum of three written bids for each subcontract. Copies of the bids and executed contracts from subcontractors must be submitted to the Planning and Development Services Department before any work begins. The City will review and approve all subcontractor bids prior to the start of the work.

The Planning and Development Services Department will periodically inspect the progress and quality of the work. If an owner fails to satisfactorily accomplish the work within the time frame established in the Rehabilitation Agreement, the owner will be required to hire a professional contractor to complete the work, at no additional expense to the City.

Eligible project costs will be limited to the out-of-pocket expenses of the owner, including payments to subcontractors and purchase of materials and supplies used in the project. The labor of the owner or an owners immediate family will not be considered as an eligible rehabilitation cost. No allowance for profit will be approved for an owner who is acting as the general contractor.

The cost of materials and supplies from an owner's inventory generally will not be allowed. Only when the owner has an established method of inventory control where the actual cost of the material can be documented, will such costs be considered. In any case, the materials must be new and the costs must not exceed the market rate for such items.

XII. REHABILITATION AGREEMENT

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

XIII. 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 renovated 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 renovated structure has become code compliant and a decent, safe, and sanitary dwelling.

CITY OF COLLEGE STATION
RENTAL REHABILITATION LOAN PROGRAM

ANTI-DISPLACEMENT POLICY

Unless herein stated otherwise, the requirements contained in the Uniform Relocations Assistance and Real Property Acquisition Polices Act of 1970 (URA) (42. U.S.C. 4201-4655), 49 CFR Part 24, 24 CFR Part 42, 92.353, and Section 104(d) will be followed.

The City's goal with the Rental Rehabilitation Loan Program is to improve the housing conditions of lower income tenants. This is to be achieved by providing sufficient assistance to property owners (Owner) to make rehabilitation of their rental property cost-effective, while rents of rehabilitated units stay affordable for their lower income tenants. Displacement of existing tenants as a result of rehabilitation will be avoided to the greatest degree possible. Moreover, the City will not sponsor a project that will cause the displacement of a very low income family by a family that is not of very low income. The purpose of this Policy is to inform the public how the City will assist tenants who reside in properties to be rehabilitated through this program. Assistance connected with this policy, and with the City's Rental Rehabilitation Loan Program will not be denied to persons because of their particular race, color, religion, sex, age, handicap, or national origin. Costs of assistance provided pursuant to this policy, other than Section 8 Rental Assistance, will be shared by participating owners and by the City through its Community Development Grants and other available state or federal funding sources.

A. DEFINITIONS

1. "Displacement", as used herein, means the permanent involuntary move of a tenant from a residence in a project rehabilitated through the Rental Rehabilitation Program because of that rehabilitation occurring. (For example, if the tenant was forced to move because his rent after rehabilitation increased to an unaffordable level.)

2. "Temporary Relocation", as used herein, means the move by a tenant into temporary quarters necessitated by the scope of work during rehabilitation of his primary residence.

3. "Comparable Replacement Dwelling", as used herein, means a dwelling which is:

   a. Decent, safe, and sanitary with respect to local codes.

   b. Functionally equivalent to the displacement dwelling.

   c. In an area not subject to adverse environmental conditions.

   d. Is reasonably accessible to the displaced person's place of employment (or to employment opportunities if the person is unemployed).

   e. Currently available to and within the financial means of the displaced person.

B. NOTICES TO TENANTS

Affected tenants will be promptly notified through the mail, by either Owner or City, on each of the following occasions:

1. At time of application, to advise tenants that they will either not be displaced, or, if displaced will be eligible to receive relocation assistance.

2. After execution of the agreement, to advise:

    a. Tenants who will not be displaced of the conditions for continued occupancy, and potential availability of Section 8 rental assistance.

    b. Tenants who will be displaced of their eligibility for relocation assistance and/or Section 8 rental assistance, and how to access it.

C. TENANT COUNSELING

Consistent with the Fair Housing Law the City will provide the following information and counseling to displaced tenants:

1. Opportunities to select Comparable Replacement Dwellings from a full range of neighborhoods within the total housing market.

2. Individual rights under the Fair Housing Law.

3. How to search for suitable replacement housing.

The Brazos Valley Housing Choice Voucher Program will provide information and counseling concerning the provision of rental assistance to eligible tenants through that program.

D. MOVING EXPENSE ASSISTANCE: TEMPORARY OR PERMANENT

1. Eligibility: All tenants that must be relocated temporarily or displaced are eligible, regardless of total family income, except:

    a. Tenant being evicted for just cause.

    b. The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person, and the fact that the person would not qualify as a displaced person as a result of the project.

    c. Tenant is ineligible under 49 CFR 24.2(g) (2)

    d. HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

2. Types of Moving Expense Payments: Eligible tenants are entitled to either of the following payments:

a. Reimbursement for actual moving expenses, which include:

- Moving household goods, including insurance coverage on the household goods while in transit
- Disconnecting and reconnecting household appliances.
- Transportation cost for tenant and family. -
- Storage of household goods (for temporary move only).

Tenants selecting this method should consult with the designated City staff prior to the move. Agreements should be reached between the staff and the tenant as to specific reimbursements the tenant can expect. The tenant shall provide adequate documentation of the covered moving expenses, and shall provide signed and dated receipts on the letterhead of the service provider.

b. Fixed moving expense payment, which is an allowance based on the number of rooms of furniture the tenant will move. The size of the allowance will conform with the most recently published schedule for "Fixed Moving Expenses and Dislocation Allowance" from the U.S. Department of Transportation. The tenant will be required to certify, to the City's satisfaction, the number of rooms and furniture involved.

3. Limitations: The City will not bear any moving expenses connected with temporary relocations beyond a period of 90 days.

E. CASH ASSISTANCE: PERMANENT RELOCATION ONLY

1. Eligible Tenants:

a. Tenants with income below the very low income limits (50 percent of the area median income)

2. Criteria and Procedure:

a. The tenant may use the cash assistance payment for rent or purchase of a replacement dwelling.

b. Generally, the City will calculate the cash assistance payment as follows:

i. $______Monthly rent, plus utility allowance as determined using the Brazos Valley Housing Choice Voucher Program Utility Schedule, at the comparable replacement dwelling

ii. $______Monthly rent, plus utility allowance as determined using the Brazos Valley Housing Choice Voucher Program Utility Schedule at the displacement dwelling, or 30% of the tenants average gross monthly income whichever is less.

iii. $______State the difference in the above two items.

iv. $______(Cash Payment) State the amount on the line iii. times 42, or $5,250.00, whichever is less.

G. CONTINUED OCCUPANCY FOR IN-PLACE TENANTS

To the extent feasible in-place tenants shall be provided a reasonable opportunity to lease a suitable, decent, safe, sanitary, and affordable dwelling unit in the project following completion of the rehabilitation. Tenants not displaced shall have the right of continued occupancy according to the terms of their respective lease agreement. Very low income tenants will be encouraged to apply for Section 8 rental assistance which may be available to them at a later date.

For more information concerning matters addressed in this policy please contact the City of College Station Planning and Development Services Department, at (979) 764-3570.

CITY OF COLLEGE STATION
RENTAL REHABILITATION PROGRAM

AFFIRMATIVE MARKETING POLICY

The City of College Station adheres to the principle that persons of similar economic levels should have available to them like range of housing choices regardless of their race, color, religion, sex, handicap, national origin or familial status. In following with this principle, this policy sets forth actions which will be taken to achieve affirmative marketing of units rehabilitated through the City's Rental Rehabilitation Program.

<u>ACTIONS BY PARTICIPATING OWNERS</u>

1. List rehabilitated units with, or advertise them through, as large a number of referral sources as practical to attract a wide cross-section of lower income tenant prospects. This includes, but is not limited to:

    a. Brazos Valley Housing Choice Voucher Program

    b. Private apartment locator services

    c. Local newspapers.

2. Develop community contacts through which persons in the housing market area might be attracted, who are not likely to apply for the housing without special outreach.

3. Inform the City of vacancies as they occur, the steps being taken to fill those vacancies consistent with No. 1 and-2 above, and characteristics of tenants once those vacancies are filled.

4. Use Equal Housing Opportunity logo on printed material, and display Fair Housing posters as practical.

<u>ACTIONS BY CITY</u>

1. Inform the public, potential tenants, and owners about Fair Housing laws, and elements of this policy, through the following methods:

    a. Use the media.

    b. Dissemination of printed material to tenants and owners.

    c. One-on-one counseling to tenants and owners.

2. Promote the achievement of the affirmative marketing goal through interaction with other housing service providers and advocates in the community.

3. Maintain records documenting efforts by owners and the City to achieve affirmative marketing.

ASSESSMENT AND CORRECTIVE ACTION

The City will assess the effectiveness of affirmative marketing by owners, by comparing characteristics of the affected tenant population with characteristics of the City's population as a whole on a regular basis. If it is determined that an owner has violated this policy, he will be at risk of having to repay the rehabilitation subsidy as per the terms of the Rental Rehabilitation Agreement.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, APPROVING AMENDMENTS TO COMMUNITY DEVELOPMENT HOUSING PROGRAMS USING COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP GRANT FUNDS.

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 provide housing opportunities for low- and moderate-income residents; and

WHEREAS, the Community Development Division is now housed in the Planning & Development Services Department and Housing Program Guidelines need to be updated to reflect this new structure; and

WHEREAS, the increased Down Payment Assistance Program limit from $50,000 to $80,000 will assist more income qualified families in becoming homeowners; and

WHEREAS, adjustments increasing administrative costs and voluntary relocation assistance are required; and

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 amendments to the Community Development Housing Program Guidelines as described in **Exhibit "A"**.

PART 2: 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

Exhibit "A"

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

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. <u>FEASIBILITY OF REHABILITATION</u>

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 devise 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 $6,000for 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 CDFR 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. <u>ELIGIBLE PROPERTY CRITERIA</u>

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.

6. 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.

7. Employment and Debt Standards

    d. 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.

    e. Student loans which are currently deferred at the time of application will be included in the debt ratio calculation as if in repayment status.

8. 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.

7. 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.

8. 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.

9. 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