

Liberty County

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
DISASTER RECOVERY HOUSING ASSISTANCE PROGRAM**

Program Guidelines

GENERAL

A. PURPOSE OF PROGRAM

The purpose of the Housing Assistance Program (the Program) is to provide residents with financial assistance to extremely low, very low and low-income households defined as households with low-income equal to or less than 80% of area median family income for the rehabilitation or reconstruction of homes that were damaged as a result of Hurricane Ike (date of storm: September 13, 2008) in Liberty County. The property must have proof of damage. The homes must be single-family and owner occupied homes. Assistance shall be in the form of an Unsecured Forgivable Promissory Note. Liberty County shall make every effort to ensure that the after-rehabilitation repairs and reconstruction will contribute to the long-term structurally sound housing stock in the area. Liberty County was awarded \$8,878,923 through the Community Development Block Grant (CDBG) for Hurricane Ike Disaster Recovery administered for Texas through the Texas Department of Housing and Community Affairs (TDHCA).

The goal of the Program is to provide safe, decent and sanitary housing by bringing the existing Hurricane Ike affected housing into compliance with all health and safety codes. When rehabilitation projects are completed, the rehabilitated portions must comply with local building codes but the entire structure must be brought up to Housing Quality Standards (HQS). All reconstruction/new construction homes must comply with the universal design features in new construction, established by 2306.514, Texas Government Code, energy standard as verified by a RES check certification, and the International Residential Code (IRC). All properties must comply with Section 31 of the Federal Fire Prevention Act of 1974.

B. DESIGNATED AUTHORITY TO ADMINISTER PROGRAM

This Program shall be operated in accordance with all applicable rules and regulations of HUD, TDHCA CDBG Disaster Recovery Program, and County rules and regulations. The County's Housing Program Administrator (Administrator) shall be under the direct supervision of the County Judge.

C. TYPE OF FINANCIAL ASSISTANCE

1. The maximum amount of housing assistance to be provided to an Applicant for rehabilitation assistance shall be \$49,000.00. Any rehabilitation assistance award shall not exceed 50% the Liberty County Central Appraisal District assessed value of the existing property improvements. Previous awards from the Federal Emergency Management Agency (FEMA), Small Business Administration (SBA) and from private insurance for the purposes of home improvement from the damages incurred from Hurricane Ike, must be deducted, as required by the TDHCA, from any grant award in this program. In the event that \$49,000.00 is not sufficient to complete the needed repairs, the County Commissioners may authorize additional funds to be made available to the applicant subject to the availability of funds, or the applicant may be required to either: 1) place the necessary funds in escrow with the County when the housing agreement is executed; 2) secure an approved housing improvement loan from a financial institution to be used in conjunction with the housing funds. In the event that the Homeowner secures a housing improvement loan from a financial institution, a letter of commitment from the financial institution must be submitted to the County when the rehabilitation contract is signed. Applicants shall have thirty (30) days to secure additional financing or be subject to disqualification.
2. For reconstruction projects and replacement housing, the total amount shall not exceed One Hundred Five Thousand Dollars and No Cents (\$105,000.00) without prior written approval from the County.
3. The minimum amount of housing assistance, which may be provided to any applicant for rehabilitation assistance, shall be One Thousand Dollars (\$1,000.00).

D. CONFLICT OF INTEREST

1. The conflict of interest regulations contained in the CDBG contract between the County and TDHCA prohibit local elected officials, County employees, and consultants who exercise functions with respect to CDBG activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the CDBG activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

2. The CDBG Program has defined “family” to include parents (including, mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG conflict of interest regulations at 24 CFR Sec. 570.489(h).

PARTICIPANT ELIGIBILITY

A. APPLICANT ELIGIBILITY REQUIREMENTS

The applicant must provide evidence of Homeownership. Proof of property ownership will be obtained through deeds or evidence of fee simple title to the property. In the absence of proof of property ownership, to be eligible for assistance, the applicant household must provide evidence of ownership interest in the property by doing the following:

Provide to the County an affidavit that sets forth how they are the successors of interest, through devise, intestacy, or conveyance, to the holder(s) of record title and that either:

1. There is no other person entitled to claim any ownership interest in the property; or
2. Each person who may be entitled to claim an ownership interest in the property has given their consent or cannot be located after a reasonable effort and provide to the County either;
 - proof that they have been, for the current and last preceding tax year, the person reflected on the tax rolls as the owner and the person liable for property taxes;
 - or other evidence, reasonably acceptable to TDHCA, which establishes that they have ownership over the property,
 - or in such instances the applicant may be provided an Affidavit of Ownership along with instructions for completion.

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

The applicant must provide evidence of principal residency (primary residence) as of the date of the storm. This can be evidenced by a homestead exemption of property in the applicant’s name, a Historical Property Tax Statement in the applicant’s name, or proof of active utilities in the name of the applicant for the billing cycle that included 9/13/2008.

The property must have proof of damage as a direct result of Hurricane Ike. This proof of damage must be in the form of a FEMA, SBA or insurance damage report or assistance, or verification from all of the following three sources:

- Damage affidavit from the Long Term Recovery Committee or a neighbor
- Verification of damage by a third party inspector, which includes the County

- Photos

A Homeowner must currently own the property and must also occupy the property as his or her principal residence. In order to qualify for replacement housing, the applicant must have lived on the property as their primary residence on September 13, 2008. For properties located in the 100-year floodplain: the applicant may procure another property outside the 100-year floodplain within Liberty County, must be considered the legal owner of that property and the replacement house shall be built on the property outside the 100 year floodplain.

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

- Paying all delinquent property taxes;
- Seeking assistance from the County Tax office for a payment plan; OR
- Qualifying for and receiving a property tax deferral as allowed under the Texas Property Tax Code 33.07 or a tax exemption pursuant to Texas Property Tax Code.

In instances where applicants are on payment plans, the applicant must provide supporting documentation detailing this plan and ensuring they are current on all payments.

The County is required to check each applicant for Child Support verification. In instances where an applicant is required to pay Child Support, that applicant must be current on all payments. Applicants who pay or receive Child Support must provide the necessary documentation to verify eligibility.

Texas Government Code 2252.903, 403.055, and 2107.008 prohibit the Comptroller from issuing a warrant or initiating an electronic funds transfer to a person who owes a debt, tax delinquency, student loan delinquency, or a child support delinquency that is subject to a payment law prohibiting the Comptroller from transferring funds.

1. Income: All sources of income, assets and employment must be verified in writing. Written verifications must be placed in each applicant's file. For verifications conducted via telephone, a fully completed (including but not limited to date of contact, name of contact, phone number of contact.) telephone confirmation form must be completed. To be eligible for assistance under the Housing Program, households who are low to moderate income and below eighty percent (80%) of the area median income as adjusted by household size (Section 8 Limits). Incomes of all household members over the age eighteen (18) shall be included when determining eligibility. Income limits are updated annually by HUD. Applicants must provide the following supporting documentation to determine Low to Moderate Income (LMI) and income eligibility: six (6) consecutive months of bank statements, Employment Verification through

pay stubs or program documentation, Social Security benefits or unemployment benefits (if necessary).

B. SELECTION OF APPLICANTS

The availability of the Program funds shall be publicized via newspaper, radio, and announcements at public meetings and in churches. **The County will take applications during the following time periods and locations:**

March 22nd & 23rd, 2010 - 9:00 a.m. to 4:00 p.m. 2103 Cos Street, Liberty Texas (Liberty County Courthouse Annex)

March 25th, and 26th, 2010 - 9:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m. 207 South Bonham, Cleveland Texas (Public Management, Inc.)

The application can also be downloaded from the County's website at <http://www.co.liberty.tx.us/> by clicking on "CDBG Housing Assistance" tab. The applicant can print and complete the application and bring with him/her all the documentation requested on page nine (9) of the application package. (For each intake period thereafter, the County may advertise the additional periods on their Web site.)

Special arrangements will be made for individuals who have a disability, with special needs, language interpretation needs, or for persons needing alternate times and locations by telephoning or emailing a request.

The County shall be responsible for advertising the availability of the program and for accepting applications in accordance to the Fair Housing Act and Civil Rights Act of 1964 and subsequent amendments.

1. Upon receipt of the applications for rehabilitation, reconstruction or replacement assistance, applications will be screened for completeness and all information related to employment, income, assets and liabilities verified in order to determine the applicant's eligibility. The County shall be responsible for determining the eligibility of each applicant.
2. The County according to a predetermined scoring system, will then rate eligible applications. The County shall be responsible for scoring the applications.
3. All applicants selected for assistance shall then be counseled by the County, regarding his or her housing needs and in determining the type of eligible repairs. The County shall cause a written agreement to be executed with the applicant, which outlines the responsibilities of the applicant and the County, and the terms of the assistance.
4. All applicants selected for assistance shall occupy the assisted housing unit in accordance with the U. S. Department of Housing and Urban Development Fair Housing Enforcement—Occupancy Standards Statement of Policy Notice and the Public Housing Occupancy Guidebook.

AFFIRMATIVE MARKETING PLAN

In addition to marketing through widely available media outlets, Liberty County will take additional measures to affirmatively market the CDBG Disaster Recovery Fund program services, as follows:

The County will advertise with the following media outlets which provide unique access for persons who are considered members of a protected class under the Fair Housing Act *including Spanish speaking radio stations that broadcast especially in the northern part of the Houston metropolitan area. The County will advertise through the local community newspapers. Additionally, English and Spanish flyers will be distributed to the local churches throughout the County. The County will reach out to the local Catholic charities to help identify applicants that may need assistance. Furthermore, the County will advertise the program description and program requirements each quarter in local community papers and radio stations. The County will work closely with the local schools (primary and secondary) twice a year and provide informational flyers to send home with all students.*

In addition, the County will take the following measures to make the program accessible to persons who are considered members of a protected class under the Fair Housing Act: *Hold informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), provide sign language assistance when requested if possible, and provide special assistance for those who are visually impaired when requested.*

The County will devote a page on the County's website which will explain the program and the requirements, a link to the application in English and Spanish, a link to the Liberty County Community Development Block Grant (CDBG) Disaster Recovery Housing Assistance Program Guidelines, and proper contact information. Additionally, the County will establish a central intake point for all applications and related documentation located at 207 South Bonham, Cleveland, Texas 77327, office number: (281)592-0439. The County will further designate two program managers to facilitate the application process, Rick Valdez or Maria Reyes, which can be contacted via e-mail at rvaldez@publicmgt.com or mreyes@publicmgt.com or by phone at (281) 592-0439.

Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained by the County and made available to the public upon request.

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

The County will accept applications as follows:

In person at addresses to be announced in press releases and on the County's website:

- Length of time, days, and hours that applications will be available, including but not limited to:
- Downloadable application online 24 hours a day;
- During regular business hours at Liberty County's place of business;
- At sites and times listed on the website.
- Via regular mail at P. O. Box 1827, Cleveland, Texas 77328.

Special arrangements: Arrangements can be made for persons with special needs, language interpretation needs, or for persons needing alternate times and locations by telephoning or emailing a request.

The County has measures in place to monitor for compliance and as applicable for reporting for the following:

- Ensure non-discrimination
- Clear policies in regards to serving people as required under the Civil Rights Act of 1964 and subsequent amendments;
- Maintain records regarding Fair Housing Act and Accessibility with respect to current programs;
- Familiar with rules and regulations regarding these issues; and
- Has identified impediments to Fair Housing Act and has processes in place to work with recipients to meet the goals of Fair Housing Act.

C. PRIORITY RATING SYSTEM

The following rating system will be used for all applications filed for processing. When there are more applications to be processed than CDBG funds can assist, those applications with the highest rating will receive priority.

1.	Households who are currently displaced from primary residence	5
2.	Household Characteristics (Maximum 11 points):	
	Elderly	3
	Handicapped or Disabled	5
	Single Head of Household with dependents	3
3.	Size of Household (Maximum 7 points)	
	1 to 2 person Household	3
	3 to 5 person Household	5
	over 5 person Household	7
D.	Income Characteristics (Maximum 7 points)	
	30% or lower of AMFI	7
	30% to 50% of AMFI	5
	50% to 80% of AMFI	3
	Above 80% of AMFI	0

In the event applications have the same point totals lower income households will be given the highest priority.

D. ENVIRONMENTAL REVIEW

An environmental assessment shall be conducted for every assisted property. The County shall follow the requirements of the CDBG program for housing related activities and submit appropriate forms and correspondence as required by TDHCA accordingly.

Prohibition of assistance in an area where Federal Assistance is not permitted (areas subject to Coastal Barriers Resource Act, airport runway clear zones, etc.

TDHCA shall provide environmental clearance for all properties before assistance is provided.

PROPERTY REQUIREMENTS

- A. The property must be within the County and must be a single-family residence. Single family residences means either a site-built home or a manufactured housing unit.

The Unsecured Forgivable Promissory Note will also require the Homeowner to certify that the property will remain their principal place of residence and they will occupy the property for at least the three affordability period of the Note, maintain property taxes and property insurance as well as require acknowledgement that the agreement contains a due on sale provision that requires the Homeowner to pay the contract sum to TDHCA if the property is sold, transferred, leased or foreclosed prior to the expiration of the Note.

- B. Under the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001-4128), housing funds may not be used with respect to the new construction, or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 - 1. The community in which the area is situated is participating in the National Flood Insurance Program, or less than a year has passed since FEMA notification regarding such hazards; and
 - 2. The initial year's hazard and if applicable, flood insurance policy is an allowable project cost to the Program.
- C. The County will monitor Homeowner for compliance of Unsecured Forgivable Promissory Note through the affordability period.

1. The terms of the Note require the Homeowner to maintain hazard and if applicable, flood insurance and maintain principal residency as well as maintain property taxes Liberty County shall be listed as Lender on the insurance policies and should be notified within 30 days of cancellation. Failure to maintain hazard insurance MAY result in the lack of future federal assistance. Failure to maintain flood insurance, if applicable, WILL result in the lack of future federal assistance.
- D. For reconstruction projects, there can be no structures remaining on the property other than the newly constructed or replacement home after assistance is complete.

ELIGIBLE IMPROVEMENTS & EXPENSES

- A. Rehabilitation funds shall be used for those repairs and/or replacements, which are necessary to bring the structure into compliance with HUD's Section 8 Housing Quality Standards and/or local safety and health codes as well as local building codes and ordinances. Where a conflict arises in codes, the higher will prevail. Incipient deficiencies are also considered eligible costs.

All reconstructed and new construction housing units must comply with the universal design features in new construction, established by §2306.514, Texas Government Code, energy standard as verified by a RES check certification, and the International Residential Code (IRC).

Rehabilitation, reconstruction and new construction homes require compliance with Section 31 of the Federal Fire Prevention Control Act of 1974.

- B. All sites must be cleaned before any construction activity can begin. There can be no obstruction to housing construction.
- C. Rehabilitation funds may also be used for general improvements that are necessary.
- D. CDBG Disaster Recovery Program funds may not be used for luxury items. Luxury items include, but are not limited to, swimming pools, fences (other than those required for security), television, satellite dishes, dishwashers, and washers and dryers.
- E. Air conditioning, heating systems, and water heaters are eligible to be replaced.
- F. Smoke Detectors and handicapped accessibility for special needs are also eligible expenses.

- G. Any units suspected of having asbestos present will be inspected and tested. Where any hazard has been detected, the owner shall be notified. This requirement will not apply to reconstructed or replacement housing.
- H. The use of lead-based paints is prohibited. Any units built prior to 1978 will be inspected for any hazards associated with the presence of lead-based paint. Where any hazard has been detected, the owner shall be notified. The abatement of lead-based paint is an eligible cost under this program. This requirement will not apply to reconstructed or replacement housing. Notification to Homeowner as required by federal law and when applicable, receipt of certifications.
- I. All county/city building permits shall be obtained by the Contractor at his/her expense and may be included as part of the bid.

PARTICIPANT APPROVAL AND RESPONSIBILITIES

- A. After the Applicants have been approved for rehabilitation, reconstruction or new construction assistance the County shall conduct a property inspection to determine the work needed to bring the structure to minimum program standards. All work done must meet Section 8 Housing Quality Standards for rehabilitation. For reconstruction/new construction all housing units must comply with the universal design features in new construction, established by §2306.514, Texas Government Code, energy standard as verified by a REScheck certification, and the International Residential Code (IRC). All construction must comply with Section 31 of the Federal Fire Prevention Act of 1974. Work write-ups will be required for all applicants awarded. Reconstruction/new construction projects will also require plans and specifications. “Before construction” pictures of the interior and exterior of the home (front and back) shall be taken by the County to provide a photographic record of the structure and improvements needed.
- B. Applicants will be given the opportunity to accompany the County on the work write-up inspection in order to discuss the proposed work items. When the work write-up has been completed, and a cost estimate prepared, the County shall discuss the scope of the work and the effect of the cost estimate with the applicant. The County shall make the determination or whether rehabilitation is possible or if reconstruction or replacement is an option. If the applicant agrees with the scope of work and to his/her responsibility regarding any additional funding, the applicant shall sign off on the final work write-up that is used in the bidding process. The County shall agree not to omit any work items that are necessary to bring the structure up to Program standards as previously established herein.
- C. Applicants to the Program will be informed of the relocation policies and procedures.

1. When a Homeowner inquires about rehabilitation or reconstruction with CDBG funds, they will be told about circumstances that could require a temporary voluntary relocation. They are informed that they are not protected by the Uniform Relocation Act, because they are willing and voluntarily participating in the Housing Program.

CONTRACTORS

A. SELECTION PROCESS

1. Upon completion of the work write-up, the County will prepare an initial cost estimate for each individual structure. This estimate shall be based on current material prices and installation costs, tradesman estimates, and general current cost per square foot costs associated with ongoing and comparable quality construction and rehabilitation in the immediate local and regional area. The estimate shall also include other costs such as site improvements and miscellaneous items, including but not limited to demolition, tree and vegetation clearance, fill requirements, and septic system installation.

The County shall publicly advertise for competitive solicitation a minimum of two (2) competitive bids for the proposed work from all Contractors interested in participating in the Program. The County will review the bids and the County shall select the qualified Contractor. The qualified low bid that is within 15% of the initial cost estimate shall be considered the best and most responsible bid and shall be presented to Commissioners Court as such. Low bidders whose bid exceeds the 15% window shall be given the opportunity in accordance with the Texas Local Government Code § 262.027(c) to appear before Commissioners Court and present evidence concerning the lower bidder's responsibility. Based on the evidence presented and staff recommendations the Commissioners Court can then determine the best and most responsible bid and award such bid. If the lowest bid is higher than the project maximum, the County shall:

- a. request the low bidder to review his or her bid to determine if any items were priced inappropriately and to revise his/her bid accordingly;
 - b. omit work items that are not necessary to bring the structure up to program standards,
 - c. ask the applicant to agree to pay the difference; or
 - d. re-bid the project in its entirety. If errors are confirmed in the original cost estimate, appropriate estimate adjustments shall be made to effectively compare the bids to this estimate.
 - e. issue additional funding for this work
2. All Contractors must meet all County requirements and must be approved by the TDHCA prior to execution of the construction contract. The Contractor must meet and comply with all Contractor requirements as hereinafter established for this Program.
3. Any Contractor who has been previously awarded construction contracts in this Program and is not physically finished with 80% of his/her contracted work, will be not be awarded subsequent contracts until that threshold has been met. For the purposes of this program “finished” is defined as 100% complete with all physical work on a structure, with only retainage remaining for payment. An example of the above would be a Contractor who has been awarded ten (10) contracts. He/she would be awarded subsequent contracts if he/she is “finished” on eight (8) of those contracts.

B. CONTRACTOR QUALIFICATIONS

In order to be eligible to participate in the construction work financed under the rehabilitation program, Contractors must meet the following minimum requirements:

1. The Contractor must not be a debarred, suspended, or ineligible Contractor according to the State’s Debarred List and the U.S. General Services Administration’s “List of Parties Excluded from Federal Procurement or Non-Procurement Programs”. Verification of Contractor eligibility shall be obtained from TDHCA prior to awarding any contract to the Contractor.
2. The Contractor must certify that he or she will not discriminate against any protected group of persons under State and Federal law whenever possible; the County will give opportunities to low income workers and Historically Underutilized Businesses (HUBS) and will make an affirmative effort to encourage bids from such Contractors.
3. The Contractor must carry public liability and property damage insurance in an amount not less than \$1,000,000. This insurance must be applicable to construction work done in the County and must be in effect during the entirety of the contracted period. Evidence of such insurance must be

- presented prior to the execution of the contract. Additionally, the Contractor and his subcontractors must carry workers compensation insurance throughout the life of the project performance bonds.
4. The Contractor must have submitted all Contractor certifications and proof of insurance prior to the execution of any construction contract.
 5. Acceptable work references and credit history must be verified for each participating Contractor. The Contractor will be considered to be a non-responsible bidder if his/her past performance on rehabilitation/reconstruction projects was not acceptable.
 6. The following bonds must be submitted prior to the start of construction (Texas Government Code, Section 2253.021):
 - Performance Bonds - One hundred percent (100%) performance bonds on public works contracts in excess of \$100,000. A performance bond in the amount of the contract is executed solely for the protection of the state or local governmental entity awarding the contract. This bond secures the fulfillment of the building Contractor's obligations in accordance with the plans, specifications, and contract documents.
 - Payment Bonds - One hundred percent (100%) payment bonds on public works contracts in excess of \$25,000. A payment bond in the amount of the contract is executed to insure payment to all persons supplying labor and material in the execution of the work described in the contract.
 7. To document financial stability, the Contractor will need to show proof of a line of credit with a bank and/or material suppliers so that the County will have some assurance of the Contractor's ability to finish contracted work.

PROCUREMENT

- A. Contractors will be selected through an advertised bid process. Public notices shall follow State of Texas and CDBG requirements for construction procurement. Only sealed bids will be accepted. County and applicant shall select the best and most responsible bid from qualified bidder. However, the low bid is always preferred and the Homeowner should state their preference for a higher bidder in writing. If the Homeowner has deferred Contractor selection to the County the lowest and best bid will be selected.
 1. The contracting sequence for housing rehabilitation/reconstruction projects shall be; Invitation to Bid, Bid Opening, and Contract Award.
 2. Within ten (10) days of notification of the contract award, the successful bidder shall provide the County with certificates of insurance.
 3. Certificates of insurance from the issuing company will show current coverage in the amount stipulated in contract documents and with a thirty (30) day notice of cancellation of insurance to the County for required insurance such as general liability with completed operational coverage, vehicle liability, and statutory workman's compensation.

4. The Contractor shall begin work within ten (10) days of receiving the issuance of the Notice to Proceed. The Notice to Proceed cannot be released until TDHCA approves the setup.
5. Contractors will adhere to the terms of the rehabilitation/reconstruction contract including these performance standards and the general specifications. Whenever the need for clarification results in a change, the change will result in a written change order prior to any work being completed. Change orders must be signed and dated by the Homeowner, Contractor, and the County prior to any work/changes. The County must approve all change orders. No work will be approved except that which is established in the contract and in written approved change orders. Any unforeseen or hidden condition should be reported to the County immediately. The Contractor will report any items that may conflict with these standards immediately.
6. Whenever possible the Contractor will make an effort to minimize the impact of the construction on the Homeowner. Work shall be carried out swiftly and directly. Electric, water, sewer and gas service will not be interrupted for more than twelve (12) hours without written approval by the Homeowner. Heat will be provided at all times during winter months. Doors, windows and any other large openings or air leaks will be repaired on the same day. The work area shall be secured at all times.
7. The work area shall be left clean and free from clutter at the end of each day and the Contractor, not the Homeowner will be responsible for storage of materials and tools.
8. Prior to the commencement of construction the Homeowner will arrange to move and store any valuable personal property that might be damaged during the course of construction. If property is damaged through negligence of the Contractor, arrangements will be made by the Contractor to reimburse the Homeowner.
9. The Contractor shall use the site and its facilities only for specified construction. The electrical, water, sewer and gas systems shall be used only for construction purposes during the construction phase.
10. Any discrepancy in the contract documents shall be brought to the attention of the County immediately.
11. Failure of a Contractor to meet the County's criteria can result in the Contractor not being eligible for payment, and he/she may not be eligible for any future Housing Program funded projects.

CONTRACTOR REQUIREMENTS

A. CONTRACTOR OPERATIONS

1. The County will provide a completed Contractor Request for Payment form to the Contractor to sign for the work which payment is authorized and will then request the Homeowner to execute the Contractor Request for Payment form.

2. All materials used shall be new (unless otherwise specified in the Project Manual) and of good quality. All work shall be done with skilled craftsmen and accomplished with care. Contractor shall provide samples to the Homeowner for selection for all materials as cited in the individual specifications and provide reasonable time to the Homeowner to make selections. Contractor shall submit a letter to the County, signed by the Homeowner, stating that the Homeowner approves of colors and quality of items such as, but not limited to; paint, flooring materials, brick, shingles, vinyl siding, door/window/drawer hardware, and counter tops, as allowed under the Program.
3. Upon completion of construction, the Contractor will;
 - a. remove all construction debris from the site;
 - b. clean and mop all resilient floors;
 - c. clean all new and existing paint from other finished surfaces including window glass and mirrors;
 - d. leave all newly installed items in operating condition;
 - e. light gas water heater pilots, stove/oven pilots and gas heater pilots;
 - f. start all other electrical and mechanical systems;
 - g. put all hardware in operating condition;
 - h. deliver new keys to the Homeowner if hardware is installed.
4. Discovery of defective elements made known to the Contractor before or during the construction process shall be brought to the immediate attention of the County in writing. When repairs are made, the repairs shall reasonably match the surrounding materials in original design and dimension as approved by the County.
5. Where additional work is necessary to make repairs or to correct unforeseen dangerous conditions. The Contractor shall submit to the County a proposal consisting of what type of work is needed, the cost of such work, and the time necessary for such work to be completed. Unless it is determined there exists an immediate health and safety danger, NO WORK SHALL BE AUTHORIZED until agreed upon in writing by the Homeowner, Contractor, and the County.
6. Compensation for additional work will be negotiated in the following manner:
 - a. the deletion of work proposed, but not started, to be substituted by the additional work; or if that is not possible;
 - b. an increase to the dollar amount of the contract (if funds are available)
7. Contractor will be responsible for determining utility needs, providing adequate sanitary facility(s) and operating equipment safely on site.

B. PRE-CONSTRUCTION CONFERENCE

1. The County shall conduct a pre-construction conference with the Contractor and the Homeowner. The terms of the proposed contract will

be explained along with the roles of the County and the applicant. Additionally, the County will explain the inspection procedures, completion requirements, and payment procedures. At the pre-construction conference, the County shall have the following documents properly executed by both the Homeowner and the Contractor: 1) the Notification of Lead-Based Paint form; 2) the Pre-construction Conference Report; and 3) the Contractor's Non-Kickback Certification.

2. Prior to adjourning the pre-construction conference, the County shall present the rehabilitation or reconstruction or replacement contract to be executed by the Homeowner and the Contractor. Upon executing the contract, the County will submit the setup request to TDHCA. Upon approval, the County will release the Notice to Proceed and will allow for a ten (10) day start period from the date of the notice and shall also stipulate the number of days allowed for completion of the work.
3. Each contract executed with a Contractor shall contain a completion date and provide for liquidated damages if the Contractor fails to meet said date.

C. INSPECTIONS AND CONSTRUCTION PAYMENTS

1. The County will assist the Homeowner in ensuring that all contracted work is completed prior to payment and that such work was performed in an acceptable manner.
2. The County inspector is required to conduct progress inspections and take progress photos. These documents should be maintained in the project activity file.
3. The Contractor may request up to two interim draws. All Payment requests will be made in writing by the Contractor to the County and will include an itemized list of items, costs, and a sum of the item costs as well as additional required draw documents.
4. Contractor is not permitted to bill for advances, items not agreed upon in the construction contract and/or unapproved changes.
5. If the Final Inspection passes when 100% of the work is complete, the County inspector shall release a fully executed Certificate of Completion and the Contractor may request up to 90% of the project activity with a 10% retainage withheld (except with MHUs) for 30 days. After photos of the interior and exterior, front and back are obtained, the warranty period begins.
6. The County will inspect such work as soon as possible (usually within one business day) from receipt of such request. If the inspection reveals that corrective work is required on any improvements covered in the contract, the County shall prepare a punch list for the Contractor.

7. After 30 days, provided the Post Inspection passes, the Contractor may request the retainage. Until all, if any, warranty items are fixed, the Contractor may not draw down any portion of the 10% retainage.
8. Upon completion of the Certificate of Final Inspection, the Contractor shall ensure that the following documents are submitted to the County including but not limited to: 1) statements from all subContractors involved in the project; 2) Contractor's Final Invoice form; 3) RESCHECK Certification (if applicable); 3) Release of Liens; and 4) all Contractor and manufacturer warranties.
9. Where applicable, permits may be required for work to be done on Mechanical/ Electrical/Plumbing/Structural (MEPS) systems. Any MEPS work requiring permits must be performed under the supervision of a licensed tradesman.
10. Where applicable, building permits will be required for building construction work and the area's building inspector in accordance with the area's normal building inspection requirements will inspect building construction work.

D. CONTRACTOR WARRANTIES

All work performed by the Contractor shall be guaranteed for a period of one (1) year. Such warranty shall be stipulated in the construction contract between the Contractor and the Homeowner. For a period of one (1) year, the Homeowner may require the Contractor to correct defects or problems arising from his or her work under this contract. Should the Contractor fail to do so, the Homeowner may take any necessary legal recourse as prescribed in the reconstruction contract. A reasonable amount of time shall be given to correct the problem; however, in no case shall such time exceed two weeks to respond. If for any reason the problem is not corrected the Homeowner may then elect to contact the the County. The County will then have two weeks to respond and propose an amiable solution to the problem for the Homeowner, Contractor and County.

FILES AND RECORDS

The County shall maintain accurate files and records on each Applicant and shall retain all pertinent documentation for a period of five years following contract close-out. Files including financial records should be made available to the Program governing bodies upon request. Open records request should be handled in accordance to the Texas Open Records Act.

GRIEVANCE PROCEDURE

Each Applicant shall have the right to appeal any decision of grievance to the County, provided such appeal is made within fifteen (15) days from when the decision has been rendered or the grievance occurred and/or became known to the Applicant.

- A. The Applicant shall first provide grievance to the County Judge.
- B. The Applicant can only then bring grievance to the full County Commissioners Court for review.
- C. If the problem cannot be resolved with Liberty County, the Homeowner may appeal to TDHCA and if necessary, the TDHCA governing board.

COUNTY EMPLOYEES NOT TO BE HELD LIABLE

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

CHANGES, WAIVERS AND/OR CONFLICTS

The Commissioners Court shall have the right to change, modify, waive or revoke all or any part of these guidelines in writing by a majority vote taken at an open meeting of the Commissioners Court and approval by TDHCA.

PASSED and APPROVED this 9th day of November, 2010 by Commissioners Court.

APPROVED: _____
Phil Fitzgerald, County Judge

ATTESTED: _____
Delia Sellers, County Clerk