



**CITY OF HOUSTON BUILD IT FORWARD
HOUSING RECOVERY PROGRAM**

Harvey Public Services Program

Version 1.5

May 9, 2019

**CITY OF HOUSTON
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT**

Version Table

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Introduction

Through our recovery programs, the City of Houston is committed to building a resilient and equitable city after Hurricane Harvey. Our housing recovery programs seek to build safe and affordable homes across our city, in communities where people can thrive. This means investing in homes – rebuilding existing housing stock and constructing new homes in areas safe from future flooding – as well as in community amenities, economic engines, and resilience activities. We will use data to design and evaluate the success of our programs and will be transparent about how the recovery is unfolding. Recovery from Hurricane Harvey presents a historic opportunity to build forward into a Houston that’s stronger than ever before.

Public Services Program Administration

The Harvey Public Services Program is intended to assist eligible persons in the City of Houston (City) who were impacted by Hurricane Harvey. The Department of Housing and Urban Development (HUD) appropriated \$5,024,251,000 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funding to the Texas General Land Office (GLO). Of this \$5 billion allocation, the City of Houston (City) has received a direct allocation from the GLO of \$1,175,954,338 for development and implementation of programs that directly benefit the residents of the City of Houston. HUD outlined the allocations and applicable waivers and alternative requirements in Federal Register Notices published on February 9, 2018 (83 FR 5844). Subsequent publications of waivers and alternative requirements can be found in the table below under Applicable Laws & Regulations.

The City’s Housing and Community Development Department’s (HCDD) goal and objective is to provide public services programs that will aid extremely low- to moderate income residents with social service needs, including, but not limited to homeless services, job training, education services, and case management services. The focus of the program is to fulfill an unmet need for extremely low-, low- and moderate-income residents.

The City of Houston will administer its Public Services program in accordance with these Harvey Public Services Guidelines, City of Houston Harvey Standard Operating Procedures, and HUD CDBG-DR regulatory requirements and guidance. The City of Houston reserves the right to adjust program priorities and re-allocate program funding if doing so would better serve the affected communities and their residents. Solicitations will align with the City’s Local Action Plan, as it may be amended from time to time.

The City of Houston reserves the sole discretion of interpreting and applying these Guidelines, except for those items where GLO or HUD has indicated that their prior approval is required for implementation. HCDD will utilize administrative procedures to implement the programs and modify them to meet any changes made to such rules and regulations of the oversight entities, which may occur over time. At all times, should any conflict in these procedures exist with the applicable funding resource, the requirements of the funding source shall take precedence, other than “local preferences” that are allowable under federal regulations.

Daily administration of the Public Services Program will be under the direct supervision of the Director of HCDD, or his designee. HCDD will solicit interest for the program through subrecipient selection process as designed to provide public services to extremely low -, low - and moderate-income residents. Further processes, such as client intake, eligibility reviews, and program service determination will be administered and implemented by the selected respondent(s). The HCDD Finance Division will authorize payments to selected respondent(s) after review and validation of submitted invoice packages by HCDD. It should be noted, that receiving public services offered by a subrecipient is not contingent upon also receiving services through the housing programs offered by HCDD.

The Notice of Funding Award (NOFA)/Request for Proposal (RFP) for Harvey Public Services will be submitted to the GLO for review prior to public release.

CDBG-DR National Objectives

In support of the U.S. Department of Housing and Urban Development’s (HUD) recovery objectives, the City of Houston has specifically designed its storm recovery programs to help impacted residents and communities recover from damage inflicted by Hurricane Harvey. As expressed in the Federal Housing and Community Development Act, the primary objective of the general Community Development Block Grant (CDBG) program is “the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-and moderate-income (LMI).” Community Development Block Grant – Disaster Recovery funding appropriated in response to disasters must meet the general goals of the CDBG program.

All CDBG-DR funded activities must meet at least one of the three National Objectives defined in the authorizing statute of the CDBG program:

- Benefiting Low- and Moderate-Income Persons (LMI) (80% of Area Median Income)
- Preventing or Eliminating Slum or Blight (SB)
- Meeting an Urgent Need (UN)

All activities funded through the City of Houston Public Services Program, unless the requirement is waived by HUD, are required to meet one of the National Objectives.

Applicable Laws & Regulations

| Funding Source | Type of Rule | Source |
|----------------------------------|---|---|
| CDBG-DR 2017 Hurricane Harvey | HUD Exchange – CDBG-DR | https://www.hudexchange.info/programs/cdbg-dr/ |
| | Public Law 115-31 (Section 421), enacted 5/5/2017 | https://www.congress.gov/bill/115th-congress/house-bill/244/text |
| | Public Law 115-56 (Division B), enacted 9/8/2017 | https://www.congress.gov/bill/115th-congress/house-bill/601/text |
| | Public Law 115-72 (Sections 305.c and 306.a), enacted 10/26/2017 | https://www.congress.gov/115/plaws/publ72/PLAW-115publ72.pdf |
| | FRN 82 FR 61320, effective 12/27/2017 | https://www.gpo.gov/fdsys/pkg/FR-2017-12-27/pdf/2017-27960.pdf |
| | FRN 83 FR 5844, effective 2/9/2018 | https://www.gpo.gov/fdsys/pkg/FR-2018-02-09/pdf/2018-02693.pdf |
| | Public Law 115-123, enacted 2/9/2018 | https://www.congress.gov/115/bills/hr1892/BILLS-115hr1892enr.pdf |
| | FRN 83 FR 40314, effective 8/14/2018 | https://www.gpo.gov/fdsys/pkg/FR-2018-08-14/pdf/2018-17365.pdf |

Public Services Overview

The Public Services program aims to offer a variety of CDBG-DR eligible services to low- and moderate- income individuals and families.

Public Services offered will complement housing programs to provide a comprehensive approach to recovery for Houstonians. These services will support residents in finding housing; remedy housing issues; help the residents become more resilient in future disasters, whether natural, economic, or personal; and create a stronger, more prepared community. Public service activities also encompass the City of Houston’s homelessness initiatives to assist homeless populations affected by the storm.

Eligibility Overview

PRIORITY POPULATIONS

- Elderly or disabled individuals
- Families with young children
- Homeless
- Families in need of disaster recovery services

ELIGIBLE ACTIVITIES

Activities eligible for CDBG-DR public service funds as listed in 24 CFR 570.201(e) and HCDA 105(a)(8) and including, but not limited to:

- Transportation services
- Healthcare services
- Medical education services
- Housing and/or rehousing services
- Mental health services
- Case management services
- Legal services
- Housing counseling services
- Employment services
- Substance abuse services (counseling and treatment)
- Counseling
- Job training and education services
- Workforce development
- Child care services

ELIGIBILITY CRITERIA

All projects and/or funded activities must document the direct or indirect tie back to the storm and meet CDBG-DR eligibility requirements.

“Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.”

ELIGIBLE SUBRECIPIENTS

Subrecipients may include public or private non-profit entities. Houstonians will receive assistance directly through the selected subrecipients. These subrecipients will ensure services are open to all residents in the City of Houston, including those with limited English proficiency or other special needs populations. Through the selected subrecipients, public services will be

provided primarily to low- and moderate- income persons or in low- and moderate- income areas. Subrecipients are responsible for verifying income and maintaining documentation in the client file ensuring the National Objective is met. The City of Houston, or its selected contractors, will review and monitor files as required by GLO and HUD.

SELECTION CRITERIA

Projects and subrecipients will be selected through a competitive subrecipient selection process. The selection process will be clearly documented within the NOFA/RFP. The selection process will clearly establish the process and acceptance period, threshold criteria, selection criteria, and the award process. A selection committee will evaluate projects and subrecipients based on a variety of criteria, including, but not limited to the type of services to be provided, the number of clients to be served, and the cost per beneficiary.

Applications and proposals under NOFAs/RFPs will be reviewed and scored internally by a panel of City personnel based on the information provided. HCDD may provide a cure period for missing and/or incomplete applications but failure to submit an application in a timely manner will be disallowed. Selection criteria may include the following with additional details established within the NOFA:

- Activity Need and Justification
- Cost Reasonableness and Effectiveness
- Data-Driven Evaluations
- Experience and Past Performance
- Leveraging Contributions
- Budget Effectiveness
- Accessible Location
- Agency Collaboration

The NOFA/RFP will address duplication of efforts to beneficiaries, ensuring that similar providers are not duplicating efforts.

MAXIMUM ASSISTANCE

The program will provide a maximum award amount of up to \$5,000,000 per contractor selected.

Program Requirements

Of this direct CDBG-DR allocation received by the City of Houston, the total amount of funds expended for public services activities must not exceed fifteen percent (15%).

Community Engagement/Affirmative Marketing Plan/Outreach Plan

The City of Houston has engaged in a robust community engagement strategy to inform Houstonians on the status of the local government's efforts to secure funding for its long-term recovery from Hurricane Harvey. The City of Houston, through HCDD, is committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts will include the development of an Affirmative Marketing & Outreach Plan based on U.S. Department of Housing and Urban Development (HUD) regulations to ensure that units financed through the Program are affirmatively marketed to the public at large. This plan will ensure that outreach and communication efforts reach eligible persons from all racial, ethnic, national origin, religious, familial status, disabled, and gender groups. The Affirmative Marketing & Outreach Plan will give detailed information about how the City of Houston plans for effective outreach to all groups mentioned above, as well as how the application and enrollment process for programs will be suitable for persons with limited English proficiency, persons with disabilities and those with special needs.

Particular emphasis will be focused on successful outreach specifically on the Public Service programs, the City will undertake marketing strategies that target organizations that serve to LMI areas and those communities with minority concentrations that were affected by the storm.

In addition to marketing through widely available media outlets, efforts may be taken to affirmatively market the CDBG-DR Disaster Recovery Program as follows:

- Advertise with the local media outlets, including newspapers and broadcast media, which provide unique access for persons who are considered members of a protected class under the Fair Housing Act.
- Reach out to public or non-profit organizations and hold/attend community meetings.
- Measures will be taken by the City to make the CDBG-DR Disaster Recovery Program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), providing American Sign Language (ASL) translation when requested, and providing special assistance for those who are hearing or visually impaired when requested.
- Applications and forms will be offered in English and other languages, including Spanish, French, Arabic, Chinese, and Vietnamese, prevailing in the region in accordance with Title VI of the Civil Rights Act of 1964, including persons with disabilities (24 CFR 8.6), Limited English Proficiency (LEP) and other fair housing and civil rights requirements, such as the effective communication requirements under the Americans with Disabilities Act. Every effort will be made to assist such applicants in the application process.

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

The City of Houston is required to use the fair housing logo in Program advertising, post fair housing posters and related information, and, in general, inform the public of its rights under fair housing regulations law. Evaluation of outreach activities and applications received will be necessary to determine if outreach is successful and applications that are being received accurately reflect the socioeconomic and other forms of demographic diversity. Evaluation will be an ongoing process.

HCDD has discretion in the modification and/or addition of requirements to the Affirmative Marketing & Outreach Plan.

For additional information please see recovery.houstontx.gov.

Needs Assessment

The City of Houston completed its Local Housing Needs Assessment to identify the impact of Hurricane Harvey on the city's housing stock. Information has been gathered from a number of sources to document the impact of Hurricane Harvey including demographic profile of impacted low-and moderate households.

The impact on housing is based on an estimation of the extent and depth of flooding using a flood risk assessment methodology and an estimation of damage to all buildings in Houston using a damage assessment methodology. The two methodologies provide an assessment of the impact of Hurricane Harvey's rainfall on residential buildings. The models used in these methodologies provide information on the level of inundation in each structure and the associated damage in dollar amounts to the building structure and its contents.

The entire City of Houston is located in an area HUD identified as "most impacted and distressed" as it relates to the damage from Hurricane Harvey. The City of Houston's Local Action Plan and Local Housing Needs Assessment are the basis for the development and prioritization of recovery activities in Houston using CDBG-DR funds. The City has consulted with affected residents and stakeholders, such as the Houston Housing Authority to assess needs. As additional data becomes available and as additional community and stakeholder engagements take place, the unmet needs and activities to address community needs including public services, with the use of CDBG-DR funds may be updated.

Procurement

The City must maintain adequate documentation to show that selection processes were carried out in an open, fair, uniform, and thorough manner to ensure that federal (2 C.F.R 200.318–200.326), state, and City requirements were met must be maintained by the City.

Record retention records must include, but are not limited to, the following information:

- Rationale for the method of procurement;
- Evaluation and selection criteria;
- Contractor selection or rejection; and
- The basis for the cost or price.

During the procurement process, solicitations should clearly identify any items included in the bid/purchase that are not included in the CDBG-DR GLO contract with the City. Additional guidance can be found in HUD’s CDBG-DR and Procurement Guidance.

Goods and services must be procured using the federal procurement and contract requirements outlined in 2 C.F.R. § 200.318 – 200.326. These procurement requirements must be followed for reimbursement from grant allocations of CDBG-DR funds provided by HUD. Subrecipients, vendors and contractors are also required to follow state and local procurement law and policies, as well as the additional requirements stated in 2 C.F.R. § Part 200 as applicable.

Additionally, the City’s Strategic Procurement Division may review draft solicitations or responses prior to award for compliance with applicable city, state and federal rules and regulations. Subrecipients and the City should clearly identify during the procurement process any items included in the bid/purchase that are not included in the CDBG-DR contract.

Regardless of the type of procurement used, subrecipients, vendors, contractors and the City must execute a contract to document the period of performance, the work to be completed, the agreed price, and contractor or provider’s required compliance with all applicable federal, state, and local requirements that subrecipients and the City must follow. If there is a conflict between federal, state, and local laws and regulations regarding procurement, the more stringent law or regulation will apply.

Additionally, subrecipients, vendors and contractors, if applicable, are required to achieve compliance with Section 3 (24 CFR Part 135). It is strongly suggested that HUD’s best practices be utilized to help achieve compliance (HUD Model Section 3 Plan), including creating a Section 3 Plan. Subrecipients, vendors and contractors are also required to “take all necessary affirmative

steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible.” (HUD CFR 200.321).

Furthermore, HUD and GLO require that the City maintain a comprehensive public website that provides information for individuals and entities awaiting assistance for Harvey related damage, and the general public to see how all grant funds are used and managed/administered, as well as Federal Register notices and updates related to Hurricane Harvey. To meet this requirement, the City and its subrecipients must make the following applicable items available to post on City’s website (www.recovery.houstontx.gov): procurement policies and procedures; description of services or goods currently being procured by subrecipients; subrecipient and state administrative contracts and a summary of all procured contracts (as defined in 2 C.F.R. § 200.22), including those procured by Subrecipients, or the City (e.g., a summary list of procurements, the phase of the procurement, details of ongoing procurement processes, requirements for proposals, etc.). Updated summaries must also be posted monthly on the website. HUD posts guidance related to this requirement on the HUD Exchange website (www.hudexchange.info).

Financial Management

The City of Houston, as a CDBG-DR recipient, is required to follow the financial administration requirements outlined in 24 CFR Part 200, Subpart D. These standards help ensure that the financial systems put in place by the City:

1. Provide adequate, current, and complete disclosure of the financial results (regular financial reporting) of all financially assisted activities, in accordance with the financial reporting requirements of the CDBG-DR Grant.
2. Document that funds have been used only for authorized purposes. For CDBG-DR this includes not only eligible activities but that the funded projects meet a National Objective;
3. Maintain accounting records that show the sources and uses of funds, displaying funds authorized, obligated and unobligated balances, assets, liabilities, outlays or expenditures and income;
4. Establish effective internal controls over all cash, real and personal property, and other assets acquired with program funds;
5. Track actual program cost against program budget in a manner that relates to program productivity and accomplishments;
6. Use Uniform Administrative Requirements in [2 CFR Part 200](#) to determine whether program costs are reasonable, allowable, and can be allocated, either directly or indirectly;
7. Maintain source documentation for accounting records;

8. Implement procedures for cash management that permit the timely disbursement to applicants and subrecipients and complete and accurate monitoring and reporting; and Comply with [2 CFR Part 200 Subpart F](#)
9. Conduct single or program specific audits in accordance with the applicable federal requirements. Vendors and contractors employed by the City will be required to comply with audit requirements as applicable

The roles and responsibilities described below are related to the financial management of the City of Houston's CDBG-DR allocation for Hurricane Harvey. These descriptions are not intended to be an exhaustive list of activities performed by each entity in relation to the CDBG-DR grant or in general.

CITY ROLES AND RESPONSIBILITIES

FINANCE DEPARTMENT

The Strategic Procurement Division (SPD) is housed within the City of Houston's Finance Department and is responsible for procuring goods and services for CDBG-DR funded activities.

THE CITY CONTROLLER

The Office of the City Controller certifies the availability of funds prior to City Council approval of City commitments, processes and monitors disbursements, invests the City's funds, conducts internal audits of the City's departments and federal grant programs, operates and maintains its financial management system, conducts the sale of public improvement and revenue bonds and produces a comprehensive annual report of City finances - Comprehensive Annual Financial Report (CAFR). The Controller will be responsible for providing a variety of approvals for release of CDBG-DR funds as payment to contractors and beneficiaries.

HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT (HCDD)

HCDD is the grant manager for Houston's Hurricane Harvey CDBG-DR allocation and responsible for administering all programs outlined in the City's Local Action Plan.

Disaster Recovery and Public Services Division: This division is responsible for program development and oversight, as well as community outreach.

Finance Division: This division is responsible for processing CDBG-DR grant funding through the Systems Applications and Products (SAP), performing draws in HUD's Integrated Disbursement Information System (IDIS) and Disaster Recovery Grant Reporting (DRGR) System, and reconciling budgets and expenditures. This division is also responsible for processing payment requests in SAP and federal reimbursement requests to the GLO to be realized in the City's budget.

Planning and Grants Management Division: This division is responsible for the City's CDBG-DR Local Action Plan, Local Needs Assessment, program applications, other rated planning documents, substantial amendments, project/activity budget set-up and completion in IDIS and DRGR and related reporting to HUD and GLO.

Key Funding Objective

At least 70% of the City of Houston's CDBG-DR funds must be spent on LMI impacted residents and will require close monitoring of the eligibility and award calculation stages.

Environmental

In accordance with the US Department of Housing and Urban Development's (HUD) regulations for implementing the National Environmental Policy Act at 24 CFR Part 58, the City of Houston's Housing and Community Development Department (HCDD) must perform and complete Environmental Reviews of proposed programs, projects, and activities that will utilize Hurricane Harvey CDBG-DR funds. These funds will be administered by the Texas General Land Office (GLO), which will review all levels of Environmental Review documentation submitted before issuing environmental clearance for each proposed action to utilize funds. GLO will maintain an Environmental Review Record (ERR) of approved documentation as a compilation of each level of environmental review performed under the City's CDBG-DR funded programs. HCDD maintains an ERR of all submitted and GLO-approved compliance documentation. HCDD also maintains a record of site-specific documentation that demonstrates environmental compliance of GLO-approved construction activities.

HCDD's ERR will compile all levels of environmental review documentation required under 24 CFR Part 58. This includes HUD required forms and checklists submitted and approved by GLO for activities determined exempt according to 24 CFR §58.34 or those that are Categorically Excluded Activities Not Subject to the Section 58.5 Statutes (24 CFR §58.35(b)). These contain documentation of compliance with the statutes and regulations listed at 24 CFR §58.6 (Flood Disaster Protection Act, Coastal Barriers Resources Act, Airport Runway Clear Zone or Runway Protection Zone, and Clear Zone Disclosures). The ERR will also contain GLO-approved site-specific environmental assessments of proposed actions per 24 CFR §58.40.

Where considered appropriate, one or more of the City's CDBG-DR funded programs will be subject to a tiered environmental review process in accordance with 24 CFR §58.15. The tiered approach allows for a Tier I level broad environmental analysis of proposed policy and action(s) in the early stage of strategic development when site-specific analysis is not yet feasible, yet those actions are known to be geographically and/or functionally aggregated. The Tier I Broad

Environmental Review thus identifies environmental compliance factors that can be analyzed and resolved with policies and decisions at this stage, to streamline or narrow the focus of the Tier II site-specific environmental assessment of potential environmental impacts once construction sites are known and appropriate mitigation measures can be specified. Therefore, HCDD's ERR will also maintain the GLO-approved versions of all Tier I and Tier II level environmental reviews performed.

While not currently anticipated, certain proposed actions undertaken by the City with CDBG-DR funds may be determined to have a potentially significant impact on the human environment and therefore require an Environmental Impact Statement in accordance with 24 CFR §58.37.

In the event such an effort become necessary, all required documentation developed during the process would also become part of HCDD's ERR.

Guideline Updates/Waivers/Public Comments

HCDD will publish all Program Guidelines on the City's website [www.recovery.houstontx.gov]. All guidelines will initially be published for a 30-day public comment period. Any subsequent changes to the Guidelines will be posted for a minimum of seven days for public comment and after approval by the Texas General Land Office the latest versions will be available on the City's website.

These Guidelines have been submitted to the City Council of the City of Houston, Texas, pursuant to and shall be governed by City of Houston Ordinance No. 2005-1395, as amended by Ordinance No. 2018-121, including its provisions regarding amendments, modifications and corrections to these Guidelines and the Program to which they relate, provided that such amendments, modifications and corrections shall also be subject to and must be done in compliance with the requirements set forth herein.

As guidelines mature, it is possible there will be requests for waivers and alternative requirements to these Guidelines. These requested changes and waivers must be consolidated, reviewed, and approved by the GLO.

To request a waiver, HCDD must submit a written request on HCDD letterhead that includes the following:

- The Guideline for which the waiver applies
- The requirement to be waived or altered
- Alternative requirement or language
- Detailed statement of how the request is necessary to address unmet recovery needs

GENERAL PROGRAM WAIVER REQUEST

A General Program Waiver request includes a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements, for which approval from the GLO is needed within thirty (30) days. The request must demonstrate that the funds will be used for an eligible CDBG-DR eligible activity and meet a national objective.

General Program Waivers must be published for seven (7) days and public comment received and addressed before submission to the GLO for approval and implementation.

EMERGENCY WAIVER REQUEST

An Emergency Program Waiver Request is a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements that must be implemented as soon as possible, for example, to resolve or prevent a compliance issue. An Emergency Waiver Request must be submitted to GLO immediately and a response should be received from GLO within five (5) business days.

In the case of requests that must be routed to HUD for approval, it is expected that GLO and the City of Houston will request an expedient response. If the request will not be approved prior to the anticipated or necessary implementation timeline, GLO must notify the City of Houston via official letter of the necessary escalation to HUD and anticipated timing.

Additional requirements may be requested as required for submission depending on waiver type and category.

Program Income

Any program income earned as a result of program-funded activities will be subject to the rules outlined in Federal Register notice 83 FR 5844. Program income received before closeout of the CDBG-DR grant would be subject to CDBG-DR requirements and must be used in accordance with the City's Harvey CDBG-DR Local Action Plan. To the maximum extent feasible HUD requires that program income shall be used or distributed before additional withdrawals from the U.S. Treasury are made.

Cross Cutting Federal Regulations

This program will be designed and implemented in compliance with cross-cutting federal regulations when applicable, including:

Americans with Disabilities Act (ADA)

The Americans with Disabilities Act of 1990 (ADA) prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, state, and local government services, public accommodations, commercial facilities, and transportation. It also mandates the establishment of telecommunications device for the deaf (TDD)/telephone relay services. The City of Houston Housing and Community Development Department (HCDD) takes affirmative steps to ensure that people with disabilities have equal access to the programs offered by HCDD, and that any services are delivered in the most integrated manner possible. City's mandate to conform to the requirements of ADA flows down to every stakeholder, including subrecipients, vendors, and developers.

Davis-Bacon Labor Standards

The Davis-Bacon Act and Related Acts (DBRA) applies to contractors and subcontractors carrying out certain federally funded or assisted construction contracts in excess of \$2,000 and requires the payment of the prevailing wages (including fringe benefits) for corresponding work on similar projects in the area. In some cases, City of Houston Prevailing Wage Law is in effect. In the event of a difference in the prevailing wage rate between the rates of the funding entity (e.g. the federal government) and the City, the higher prevailing wage rate must be adhered to and made applicable. For certain federally assisted prime construction contracts in excess of \$100,000, subject to the DEBRA, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular pay for all hours worked over 40 in a work week. Additionally, HCDD must follow the reporting requirements per HUD and the U.S. Department of Labor regulations. This requirement also extends to HCDD's sub-recipients and contractors.

Equal Employment Opportunity

Executive Order 11246, Equal Employment Opportunity, as amended, prohibits federal contractors and federally-assisted construction contractors and subcontractors who do over \$10,000 in government business in one year from discriminating in employment decisions based on race, color, religion, sex, sexual orientation, gender identity, or national origin. The Executive Order also requires government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment. This regulation is adhered to within HCDD programs.

Fair Housing

The Fair Housing Act requires all grantees, sub-recipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of age, race, color, creed, religion, familial status, national origin, sexual

orientation, military status, sex, disability, or marital status. HCDD enforces the Fair Housing Act by ensuring that all grantees, sub-recipients, and/or developers meet the applicable Fair Housing and Affirmative Marketing requirements, provide a marketing plan, and report on compliance in accordance with the Fair Housing Act and the associated forms on HCDD website, where applicable. The Affirmative Marketing Plan must comply with applicable Fair Housing Laws and demonstrate how the applicant will affirmatively further fair housing throughout applicable disaster recovery programs.

Fair Labor Standards Act of 1938, as Amended

THE FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED (FLSA), ESTABLISHES THE BASIC MINIMUM WAGE STANDARDS AND REQUIRES THE PAYMENT OF OVERTIME, FOR CERTAIN EMPLOYEES, AT THE RATE OF AT LEAST ONE AND ONE-HALF TIMES THE BASIC HOURLY RATE OF PAY FOR HOURS WORKED AFTER 40 HOURS OF WORK IN A WORK WEEK. THESE LABOR STANDARDS ARE APPLICABLE TO THE ENTIRE CONSTRUCTION CONTRACT, REGARDLESS IF CDBG-DR FUNDS FINANCE ONLY A PORTION OF THE PROJECT.

Limited English Proficiency

Federal Executive Order 131661 requires HCDD and all satellite offices, programs, sub-recipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP) and/or deaf/hard of hearing. HCDD ensures fair access through the implementation of a Language Assistance Plan (LAP), which includes non- English-based outreach, translation services of vital documents, free language assistance services, and staff training. Refer to the “Language Assistance Plan” Provision of Language Assistance Services for additional guidance and protocols.

Minority- and/or Woman-Owned Business Enterprises

The Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned Business Enterprises (MBEs). 2 CFR §200.321 requires the non-federal entity to take all necessary affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible and for the non-federal entity to require its prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of 2 CFR §200.321(b).

Section 3

Section 3 of the Housing and Urban Development Act of 1968 requires that grantees, sub-recipients, contractors, sub-contractors, and/or developers funded in whole or in part by CDBG-DR funding, to the greatest extent feasible, extend economic opportunities such as hiring opportunities and contracts to Section 3- eligible residents and businesses. Section 3-eligible residents are low- and very low- income persons who live in the metropolitan area or non-

metropolitan county where a HUD-assisted project for housing or community development is located and people who live or reside in public or government assisted housing.

Residential Anti-Displacement

All sub-recipients must follow HCDD's Residential Anti-Displacement Policy.

Uniform Relocation Act and Real Property Acquisition

The Infrastructure Program staff will comply with URA and real property acquisition as CDBG-DR federal funds, administered by HCDD and disbursed to sub-recipients and direct contractors and/or beneficiaries, are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and/or Section 104(d) of the Housing and Community Development Act of 1974. The applicable federal regulations are located at 49 CFR Part 24 (URA), 24 CFR Part 42 (Section 104(d)), and in the Real Estate Acquisition and Relocation Policy and Guidance Handbook (HUD Handbook 1378). The March 5, 2013 Federal Register Notice (FR-5696-N-01) waived the one-for-one replacement requirements at Section 104(d)(2)(A)(i)-(ii) and (d)(3) and 24 CFR §42.375.

Sub-recipients or contractors must provide the following benefits to households or businesses that they displace:

- Relocation advisory services;
- A minimum of 90-day notice to vacate;
- Reimbursement for moving expenses; and
- Payments for added cost of renting or purchasing comparable replacement housing.

HCDD programs subject to the URA and Section 104(d) include the CDBG-DR programs. HCDD policies and procedures, Notice of Funding Availability (NOFA), applicant certifications and/or written agreements for funds subject to the URA and Section 104(d) shall refer to federal and state rules, as appropriate.

Real Property

If CDBG-DR funds are used to acquire real property, HCDD ensures that the property continues to be used for its intended (and approved) purpose; proper records are maintained to keep track of it; steps are taken to protect and maintain it; and that if the property is sold, HCDD is reimbursed for the CDBG-DR share of the property's value. HCDD, as the grantee, along with its sub-recipients and contractors, must tag and log all property valued greater than \$1,000 and update inventory records annually.

The federal requirements relating to real property are organized according to title (ownership), use, and disposition. In general, the property management system must provide for accurate records, the performance of regular inventories, adequate maintenance and control, and

proper sales procedures. Grantees must follow sales procedures that provide for competition, to the extent practicable, and that result in the highest possible return.

Acquisition of Real Property

Upon notification of permission from HCDD, the City proceeds with efforts to acquire any real property, including easements and right-of-way, required for the project. CDBG-DR federal funds, administered by HCDD and disbursed to subrecipients and direct contractors and/or beneficiaries, are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) and/or Section 104(d) of the Housing and Community Development Act of 1974. The applicable federal regulations are located at 49 CFR Part 24 (URA), 24 CFR Part 42 (Section 104(d)), and in the Real Estate Acquisition and Relocation Policy and Guidance Handbook (HUD Handbook 1378).

Sub-recipients or contractors must provide the following benefits to households that they displace:

Relocation advisory services;

A minimum of 90-day notice to vacate;

Reimbursement for moving expenses; and

Payments for added cost of renting or purchasing comparable replacement housing.

A purchase option agreement on a proposed site or property prior to the completion of the environmental review is allowed if the option agreement is subject to a determination by the sub-recipient on the desirability of the property for the project after the environmental review is completed and the cost of the option is a nominal portion of the purchase price. Prior to advertising for bids, the subrecipient must have obtained all lands, rights-of-way, and easements necessary for carrying out the project.

HCDD will provide property owners with the appropriate forms, including Involuntary Preliminary Acquisition Notice; Invitation to Accompany an Appraiser; Written Offer to Purchase; Statement of Basis of Just Compensation; Notice of Intent Not to Acquire; Donation and Appraisal Waiver; and Administrative Settlement.

Insurance and Property Management

For all projects in the Program, all property owners must procure and maintain insurance for the duration of the agreement to protect all contract assets from loss due to any cause, such as theft, fraud, and physical damage. If CDBG-DR funds are used to acquire real property or personal property, the property owner is responsible for ensuring that:

The property continues to be used for its intended (and approved) purpose;

The subrecipient keeps track of, and takes care of, the property; and

If the subrecipient sells or disposes of the property during the contract period, the subrecipient reimburses HCDD for the share of the property's value according to the agreement.

Record Keeping, Retention and File Management

In accordance with HUD regulations, the GLO as the grantee, and HCDD as the sub-grantee and prime recipient of CDBG-DR funds follow the records retention requirements cited in 2 CFR Part 200, which includes financial records, supporting documents, statistical records and all other pertinent records. HCDD establishes recordkeeping and retention requirements in its sub-recipient and contractor agreements in accordance with the guidelines stated in 24 CFR §570.503(b)(2).

Reporting

As a recipient of CDBG-DR funds, HCDD, working with the GLO, will establish reporting requirements in accordance with 24 CFR §570.503(b)(2). HCDD has established its own reporting requirements in accordance with the provisions as found in 2 CFR Part 200, as applicable:

At execution of agreements;

Monthly;

Quarterly;

Annually; and

As required.

Record Retention

Record retention is a requirement of the program. Records are maintained to document compliance with program requirements and federal, state, and local regulations and to facilitate a review or audit by HUD. The HCDD Records Management Program seeks to ensure that:

HCDD complies with all requirements concerning records and records management practices under federal and state regulations;

HCDD has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements, and community expectations;

These records are managed efficiently and can be easily accessed and used for as long as they are required.

These records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner based on HUD Handbook 2225.6, Records Disposition Schedules and HUD Handbook 2228.2.

Access to Records (State – City)

24 CFR §570.490 Recordkeeping Requirements:

“ (c) Access to records.

Representatives of HUD, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.

The State shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG funds consistent with State or local requirements concerning the privacy of personal records.”

The availability of records is subject to the exemptions to public disclosure set forth in section 87(2) of the Public Officers Law. All Freedom of Information Law (FOIL) requests under the Public Officers Law must be made in writing to the Records Access Officer and will be processed in accordance with the procedures set forth therein.

Audit Requirements

In accordance with Subpart F of 2 CFR Part 200, non-federal entities that expend \$750,000 or more during their fiscal year in federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions therein. HCDD is responsible for conducting reviews of these single or program-specific audit reports and for coordinating the issuance of management decisions for audit findings relating to HCDD-provided federal funds.

Fraud, Waste and Abuse

The City will assess all program systems, processes and Standard Operating Procedures from an anti-fraud, waste, and abuse perspective. The City will provide anti-fraud training to program staff. Anyone with information regarding known or suspected misappropriation of funds or resources is encouraged to report the information to the City by sending a written report via U.S. mail to the following address: City of Houston, Housing and Community Development Department, 2100 Travis St, 9th Floor, Houston, TX 77002.

Conflicts of Interest

The program requires all program staff to disclose any relationship with an applicant or contractor. Program staff, sub-grantees, program administrators, and contractors who disclose such relationships are placed in roles where there is no opportunity for them to display favoritism or collude to financially or otherwise benefit themselves, the applicant, or the contractor. For example, a customer representative may not perform work on the application of family. For purposes of this regulation, “family” is defined to include spouse, parents,

mother-in-law, father-in-law, grandparents, siblings, brother-in-law, sister-in-law, and children of an official covered under the CDBG conflict of interest regulations at 24 CFR §570.489(h).

HCDD may consider granting an exception to the conflict of interest provisions per 24 CFR §570.489(h)(4) if HCDD has determined that the subrecipient, vendor or contractor has adequately and publicly addressed all the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974, as amended and the subrecipient has complied with the requirements listed in 24 CFR §570.489(h)(4)(i) and (ii). HCDD considers whether the exception provides a significant cost benefit or essential degree of expertise; whether the opportunity was provided for under open competitive bidding or negotiation; whether the person affected is an LMI person, whether the affected person has withdrawn from his or her functions or responsibilities; whether the interest or benefit was present before the affected person was in a position to benefit from the conflict of interest; or whether undue hardship results from failure to grant the exception.

Confidentiality/Privacy

The Program is committed to protecting the privacy of all individual stakeholders, including the public and those individuals working on the program. The program's policies describe how information is to be handled and protected. The purpose of this privacy policy is to establish when and under what conditions certain information relating to individuals may be disclosed.

The data collected from applicants for the Program may contain personal information on individuals that is covered by the Federal Privacy Act of 1974, as well as applicable state laws. These laws provide for confidentiality and restrict the disclosure of confidential and personal information. Unauthorized disclosure of such personal information may result in personal liability with civil and criminal penalties. The information collected may only be used for limited official purposes:

Program staff may use personal information throughout the award process to ensure compliance with program requirements, reduce errors, and mitigate fraud and abuse.

Independent auditors, when hired by the program to perform a financial or programmatic audit of the program, may use personal information in determining program compliance with all applicable HUD and federal regulations, including the Stafford Act, CDBG-DR requirements and State and local law.

HCDD may disclose personal information on an applicant to those with official Power of Attorney for the applicant or for whom the applicant has provided written consent to do so.

Organizations assisting HCDD in executing the CDBG-DR Program must comply with all federal and state law enforcement and auditing requests. This includes, but is not limited to, HUD, FEMA, FBI, Office of the Comptroller, and the Office of the Inspector General.

Monitoring

HCDD's Compliance and Monitoring Plan (Plan) will outline principals of governance, standards and management, supporting the City of Houston's (City) Public Services program. The Plan is mandated to establish a coherent governance structure, management standards and content requirements for policies and processes to manage compliance risk factors of the Program.

The Plan will outline the activities required by the City and the records required to document these activities. In addition to monitoring, this includes activities required to correct any issues raised as part of the monitoring process and documentation of activities required to remedy these issues. The Plan will also aim to do so in a way that balances HCDD's need to examine a sufficient sample of all Program applications processed by contractors against the constraint of limited resources within the City for this purpose. Compliance monitoring is necessary to validate the key assumptions, data sources and procedures used in measuring and monitoring compliance risks and to confirm controls are working as intended.

HCDD will formulate its own monitoring plan, which will encompass all compliance-related issues that are specified in the Guidelines and Standard Operating Procedures (SOP); and HCDD will establish detailed tools and checklists to fulfill the Program requirements.

Program Closeout

HCDD assigned program staff will coordinate all required file documentation necessary for verification of completion of the funded services to program requirements and submit for approval of completion, closeout and proper record keeping. Records must be maintained for 3 years after the closeout between GLO and HUD.

Complaints

The City of Houston Housing and Community Development Department (HCDD) welcomes feedback and complaints from any member of the public. Complaints are accepted in writing or over the telephone. Complaints will be responded to in writing within fifteen (15) business days, as practicable. For further information, please refer to the HCDD recovery website, <https://recovery.houstontx.gov>

CONTACT INFORMATION

HCDD Mailing Address

Housing and Community Development Department
2100 Travis St., 9th Floor
Houston, TX 77002
Attn: Planning & Grants Management

HCDD Email Address

HCDDComplaintsAppeals@houstontx.gov

HCDD Business Hours

Monday through Friday
8:00 AM to 5:00 PM

Appeals

HCDD's appeal process will be provided in writing to any appellant upon request or receipt of an appeal, and the same process will be clearly posted on the City's websites, including disaster recovery websites and entitlement program websites. HCDD will keep a record of each appeal that it receives and include all communications and their resolutions therein.

Applicants have the right to appeal decisions made on their program file based on the following:

- Non-receipt of award through NOFA or RFP process
- Denied services through any of HCDD's programs
- Denial of a request for resolution for tax credits
- Program eligibility determination
- Program award calculation
- Program determination of Moderate or Substantial damage leading to Rehabilitation or Reconstruction

- Procedural error where the application was not processed by program staff in accordance with the program guidelines
- Affirmatively Furthering Fair Housing

Appeals must be made in writing, and may either be in letter form, through HCDD's website, or on HCDD's Appeal Request Form (available on HCDD's website or at the HCDD office). Written appeals will be accepted either by mail or in-person at the HCDD office. To be considered complete, an appeal must contain the following information:

- Name
- Property Address
- Mailing Address (if different from Property Address)
- Phone
- Application number (if applicable)
- Email Address
- Reason for Appeal

Appeals must be made within thirty (30) days of notice of the determination on the applicant's file that generated the appeal. Upon receipt of an appeal, HCDD will respond in writing to the appellant of the program area's decision regarding the appeal and provide the basis thereof within thirty (30) days, as practicable.

APPEALS REVIEW COMMITTEE

Should the initial appeal process with the program area not achieve a resolution amenable to the appellant, the appellant has the right to escalate the appeal, in writing, to the Appeals Review Committee (ARC). The appellant may only escalate the appeal after the completion of the initial program area process.

The ARC will process the escalated appeal within thirty (30) days, as practicable. The ARC will transmit their decision to the appellant in writing.

TEXAS GENERAL LAND OFFICE

Should the appellant not be satisfied with the outcome determined by the ARC, they have the option to dispute the decision by sending an appeal in writing to the Texas General Land Office (GLO). The appellant has thirty (30) days to submit an appeal directly to GLO following receipt of the ARC's decision regarding their appeal.

If no word on a pending appeal is received by HCDD within the appropriate timeline from GLO, HCDD will designate the appeal decision made by the Appeals Review Committee as the final decision and consider the matter closed.

CONTACT INFORMATION

HCDD Mailing Address

Housing and Community Development Department
2100 Travis St., 9th Floor
Houston, TX 77002
Attn: Planning & Grants Management

HCDD Email Address

HCDDComplaintsAppeals@houstontx.gov

HCDD Business Hours

Monday through Friday
8:00 AM to 5:00 PM

GLO Mailing Address

Texas General Land Office
PO Box 12873
Austin, TX 78711-2873
ATTN: GLO-CDR

GLO Email Address

cdr@recovery.texas.gov

GLO Telephone

(844) 893-8937
(512) 475-5000

Definitions

Affirmatively Furthering Fair Housing (AFFH): AFFH is a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. The HUD AFFH assessment tool and final rule can be found here: https://www.huduser.gov/portal/affht_pt.html.

Area Median Income (AMI): Calculated annual limits based on HUD-estimated median family income with adjustments based on family size used for demonstrating LMI beneficiaries in the programs.

Beneficiary: The recipient deriving advantage from CDBG-DR funding.

Case Management: Working with individual survivors and their families to understand the Program's housing options, resulting in clear and transparent determination of eligibility. Case managers must consider all special circumstances of the survivor's needs to decrease their barriers to participate in the program where possible. Staff should meet at designated locations and supply information in a standard format.

Compliance Period: The time period during which a property must comply with CDBG-DR program rules and regulations, including primary residency, income, and rent restrictions as applicable.

Environmental Review: This is the process through which all qualified projects must undergo to ensure that the activities comply with the National Environmental Policy Act (NEPA) and other applicable state and federal laws.

Event: The Presidentially declared Hurricane Harvey, and subsequent flooding, disaster event.

Family: The term "family" means all persons living together in the same housing unit, as further defined under 24 CFR §570.3.

Flood Hazard Area: Areas designated by FEMA as having risk of flooding.

General Land Office (GLO): The Texas General Land Office is the lead agency for managing the State's Community Development Block Grant – Disaster Recovery grants.

Home/Housing Unit: (used interchangeably) a house, apartment, group of rooms, or single room occupied or intended for occupancy as separate living quarters.

Household: A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living

arrangements. For housing activities, the test of meeting the LMI National Objective is based on the LMI of the household.

Housing and Community Development Act of 1974, as amended by the Supplemental Appropriations Act of 1984: Established the program of Community Development Block Grants to finance the acquisition and rehabilitation of real property and which defined the recipients and uses of such grants, with the primary goal of benefitting LMI persons.

Housing and Urban Development Act of 1968, Section 3: Requires program administrators ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR §135.32.

Low/Mod Income (LMI): Activities which benefit persons of income that does not exceed 80 percent of the area median income:

- Extremely low: Household's annual income is up to 30 percent of AMI, as determined by HUD, adjusted for family size;
- Low: Household's annual income is between 31 percent and 50 percent of AMI, as determined by HUD, adjusted for family size; and
- Moderate: Household's annual income is between 51 percent and 80 percent of AMI, as determined by HUD, adjusted for family size.

The most current income limits, published annually by HUD, shall be used by the City to verify the income eligibility of each household applying for assistance at the time assistance is provided. Income limits can be found at: <https://www.huduser.gov/portal/datasets/il.html>

Needs Assessment: A needs assessment is a critical component in the allocation of funding across and within National Objectives for CDBG-DR funds. A given needs assessment will recommend the proportions of funding that should be set aside to benefit each LMI and non-LMI economic group. The needs assessment will determine the activities to be offered, the demographics to receive concentrated attention, the disabled, "special needs," vulnerable populations, and target areas to be served. The needs assessment will also include an assessment of the types of public services activities that may be needed to complement the program. The needs assessment should set goals within the income brackets similar to the housing damage sustained within the impacted areas. Deviations from goals must be approved by the City before the Program may move forward. Each needs assessment will be posted for a 30-day public comment period and approved by the GLO before implementation.

Overall Benefit: The City must certify that, in the aggregate, not less than 70 percent of the CDBG-DR funds received by the City will be used for activities that benefit LMI households.

Slum and Blight National Objective: Activities which help to eliminate slum and blighted conditions. (Use of this National Objective is limited due to its inability to contribute towards the overall requirement for 70 percent LMI to benefit low- to moderate-income beneficiaries.) See 24 CFR §570.208(b).

Slum and Blight activities must meet the criteria of one of the three following categories:

- Prevent or eliminate slum and blight on an area basis;
- Prevent or eliminate slum and blight on a spot basis; or
- Be in an urban renewal area.

Subrecipient: Cities, counties, Indian tribes, local governmental agencies (including COGs), or private non- profits (including faith-based organizations). The definition of subrecipient does not include procured vendors, private grant administrators, or contractors providing supplies, equipment, construction, or services and may be further restricted by Program rules or other guidance including applications. See vendor definition for further clarification.

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (42 U.S.C. 4601 et seq.) (URA): Applies to all acquisitions of real property or displacements of persons resulting from federal or federally assisted program or projects. URA's objective is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to residential displacements in involuntary (49 CFR Subpart B) acquisition or multifamily damaged/occupied activities that require the relocation of the tenants. A displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months, as waived by the FR.

Urgent Need National Objective: An urgent need that exists because conditions pose serious and immediate threat to the health or welfare of the community; the existing conditions are recent or recently became urgent; and the applicant cannot finance the activities on its own because other funding sources are not available.

Vendor: Vendors and private grant administrators procured by the city or contractors to provide supplies, equipment, or services necessary to implement the Program and to serve program needs. Upon approval by the City, the Vendor may implement the Program and/or serve program needs.