



Homeowner Opportunity Program Guidelines

CDBG Disaster Recovery Program
Hurricanes Ike & Dolly, Round 2

10/1/2012

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Introduction

The Homeowner Opportunity Program (HOP) is a Disaster Recovery Housing Program through which income-qualified applicants who live in FEMA-designated “High Risk” areas or areas of high minority and/or poverty concentration (as approved by the GLO) may elect to rehabilitate or reconstruct their existing home or relocate to a safer and higher opportunity area. This program will involve relocation counseling, conducted by Mobility Counselors, and the provision of licensed real estate professionals to explain the options and choices available.

- **FEMA-Designated High Risk Area:** Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.
- **Area of High Minority Concentration** – A census block group that consists of 65% or more of minorities. Minorities include all racial and ethnic population groups other than “White, non-Hispanic (Anglo).”
- **Area of High Poverty Concentration** – A census block group that consists of 35% or more of the residents living in poverty. A resident that meets the US Census Bureau’s poverty threshold is considered to be at or below poverty level for the Disaster Recovery Program.

Housing Objectives

Under Round 2, Subrecipients must not only work with local codes and standard housing rules, but also must address the concerns raised in the Fair Housing Complaint filed December 1, 2009 and resolved by a Conciliation Agreement between the State of Texas and the Complainants.

For a Subrecipient to be successful, they must meet all of the objectives identified in the Housing Guidelines. As a reminder, these are:

- The primary objective is to provide decent, safe, and sanitary housing in the hurricane-impacted areas through the provision of activities designed to mitigate storm damage that occurred as a result of Hurricanes Ike and Dolly.
- A second objective is to ensure that the housing needs of low, very low and extremely low-income households are assisted with housing in no less than the proportion to the relative percentages of the overall populations which suffered housing damage within the communities being served.
- A third objective is to prioritize the provision of decent, safe and sanitary housing for elderly and disabled populations with an emphasis on housing choice and design to reduce maintenance and insurance costs as well as provide for the provision of independent living options.



While not included in the initial list of objectives, the Conciliation Agreement and the Housing Guidelines Part B, require a fourth objective.

- Each Subrecipient shall provide initial targeted outreach exclusively to persons located in FEMA High Risk areas (identified flood areas and storm surge areas), areas where the concentration of poverty is greater than 35% and areas where there are concentrations of racial or ethnic minorities greater than 65%.

Each Subrecipient is required to execute an Outreach Plan based on a Needs Assessment. No applications may be taken or considered until the Needs Assessment is received by the GLO and the Outreach Plan has been provided to GLO and approved.

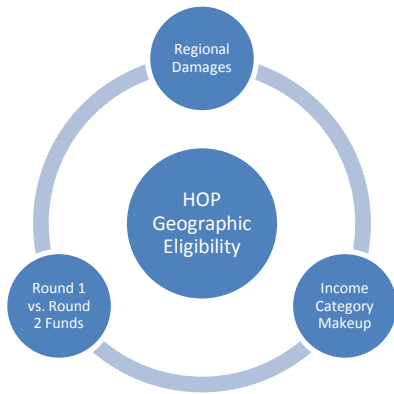
Needs Assessment

The Needs Assessment is the starting point for all housing activities in Round 2. The Needs Assessment should address single family, multi-family, rental and homeowner concerns. The required elements include:

1. An analysis of the overall damages (at a minimum HUD/FEMA IA data, but may also include on-site visits to areas identified by public groups or elected officials) broken out by income category.
2. An analysis of income categories of households in the community affected by the disaster, as evidenced by FEMA Claims or other GLO approved data, broken out by:
 1. 0%-30% AMFI, very low income
 2. 31%-50% AMFI, low income
 3. 51%-80% AMFI, moderate income
3. An analysis of the location of damages that remain unpaid (FEMA IA, SBA, Flood Insurance, and other federal or state claims).
4. A break-out of areas identified as FEMA High Risk areas.
5. A break-out of areas in the Subrecipient's region with 2000 U.S. Census Neighborhood Block Groups with poverty concentrations of 35% or more.
6. A break-out of areas in the Subrecipient's region with 2010¹ U.S. Census Neighborhood Block Groups with minority (any combination of non-white or mixed race classifications) or ethnic group (white or non-white Hispanic) concentrations at 65% or greater.



¹ Under very limited circumstances, a Subrecipient may use 2000 Census data upon approval of the GLO



The Subrecipient must use data gathered to establish targeted service populations. The following method may be used to address the **income category-specific portion** of the assessment:

1. Using the information gathered in list items 1 and 2, create a combination of damages by income category.

EXAMPLE:

- a. Total **regional damages** (for subrecipient census geographic area) in low income areas for Round 1 and Round 2= \$1,000
 - b. Total 0-30% population = 36%, resulting in $\$1,000 \times .36 = \360 in damages
 - c. Total 31-50% population = 40%, resulting in $\$1,000 \times .40 = \400 in damages
 - d. Total 51-80% population = 24%, resulting in $\$1,000 \times .24 = \240 in damages
2. Compare the total Round 1 and Round 2 eligible funds (Subrecipient awards) to the total damages impacting each income category. Analyze the impact by income level to create income level service requirements.
- a. Total Subrecipient **housing funds available**= $\$600$
 - b. 0-30% population = 36%, resulting in $\$600 \times .36 = \216 in available funds
 - c. 31-50% population = 40%, resulting in $\$600 \times .40 = \240 in available funds
 - d. 51-80% population = 24%, resulting in $\$600 \times .24 = \144 in available funds
3. Subtract the Round 1 funds committed to each income category from the income level buckets to create Round 2 **income level service requirements**.
- a. 0-30% funds available less Round 1 = $\$216 - \65 in Round 1 = $\$151$ available in Round 2
 - b. 31-50% funds available less Round 1 = $\$240 - \100 in Round 1 = $\$140$ available in Round 2
 - c. 51-80% funds available less Round 1 = $\$144 - \160 in Round 1 = $\$0$ available in Round 2

Urgent need is not available in Round 2 and should not be assigned to an income category.



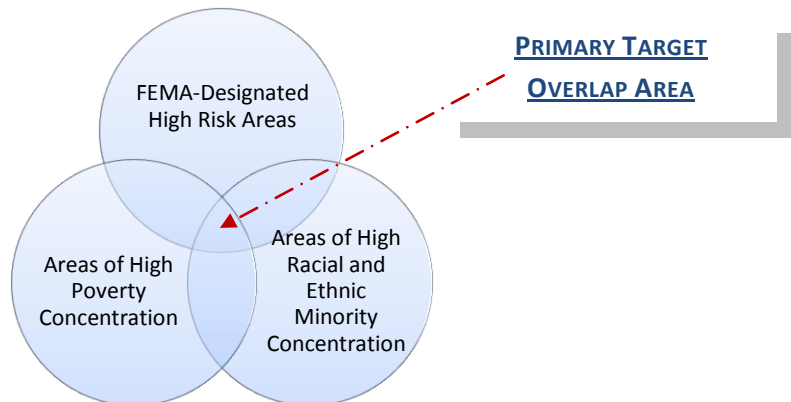
The funds identified give the program their targeted economic service requirements. All funded applications must target these income categories. In the example above, the 0-30% service requirement will have the most funding available, whereas, the 51-80% will not have any funds eligible for the Round 2 Program because all 51-80% funds were expended in Round 1. Funds available in higher income categories can be moved down to satisfy increased demand of lower income categories. The Subrecipient cannot move funds into higher income categories unless all applications and targeted areas in lower income categories have been adequately served.

The Subrecipient may proceed with Application Outreach and Intake after GLO has reviewed its Needs Assessment.

Outreach Priorities

Utilizing the information gathered in the Needs Assessment, the Subrecipient will plot the identified areas on a GIS system and look for overlaps where all three HOP geographic eligibility areas are present in a U.S. Census Neighborhood Block Group. The Subrecipient may use the GIS maps available on the GLO's website or a similar system approved by GLO to plot the identified target areas. The targeted areas mapped according to the needs assessment data and geographic criteria (poverty, risk, race/ethnicity) designate the HOP eligible area. The Subrecipient must make a documented effort to offer HOP services, through outreach, to all applicants identified within the HOP eligible area.

Primary Target Area. The Subrecipient must first seek applications from the mapped target areas that include the overlap of FEMA-Designated High Risk Areas, Areas of High Racial and Ethnic Minority Concentration and Areas of High Poverty Concentration.



Secondary Target Area. After exhausting the Primary Target area, using methods in accordance with the approved Outreach Plan, the Subrecipient may seek applications from target areas that include the overlap of Areas of High Racial and Ethnic Minority Concentration and Areas of High Poverty Concentration. Subrecipients are expected to utilize all applicable outreach methods and review the number of applications received from the Primary service areas before moving into Secondary Target areas. Efforts should be documented locally.



Tertiary Target Area. If necessary, the Subrecipient may seek applications from within the FEMA-Designated High Risk Areas, Areas of High Racial and Ethnic Minority Concentration and Areas of High Poverty Concentration, individually. When considering the three HOP criteria individually, Areas of High Racial and Ethnic Minority Concentration or Areas of High Poverty Concentration should be prioritized when possible.

General Outreach Area. Any area in the Subrecipient’s service zone that is not included in the targeted areas identified by the Needs Assessment and HOP geographic eligibility is considered the General Outreach Area. The General Outreach Area is not eligible for HOP. **Prior to conducting General Outreach, the Subrecipient must present a description of the Subrecipient’s targeted outreach efforts and an outcome analysis to the GLO. GLO will authorize the Subrecipient to proceed with General Outreach after reviewing and approving the Subrecipient’s targeted outreach analysis.**

Outreach & Intake

Timeline

Application Intake should not exceed 180 days and the Subrecipient may suspend or close intake if:

- The total number of applications exceeds 1.75 times the number of applicants the Subrecipient intends to serve, and;
- The application disqualification and withdrawal rate does not exceed 42% of the applications collected.

Subrecipients should ensure that any programmatic or outreach materials clearly explain that application intake may close before 180 days if the pool of applications received is large enough. Subrecipients should notify the GLO when closure of the application intake period takes place. Subrecipients needing more than 180 days for intake should contact the GLO for guidance.

Outreach Implementation

The Subrecipient or its Grant Administrator is responsible for directing outreach and intake activities. The Subrecipient may contract with third parties for assistance with outreach activities or it may conduct their own outreach.

Prior to going into the field, the Subrecipient or its designee must participate in a GLO-sponsored training that discusses general program requirements, outreach expectations, and a HOP overview. The training ensures that Subrecipients consistently execute Round 2 and all potential applicants receive the same message. In addition, GLO will provide approved program marketing templates to be used during outreach. Outreach organizations should be qualified to perform the services for which they are contracted and must meet professional standards determined by the Subrecipient. The Subrecipient will be responsible for the performance of the outreach organization.



Targeted Outreach activities may include door-to-door canvassing, town hall outreach, targeted mailings, and other GLO approved outreach methods. Targeted Outreach must also include efforts to locate HOP eligible applicants that were forced to relocate due to extensive disaster-related property damage. Targeted Outreach *does not* include broad media. If approved to begin General Outreach by GLO, activities may include mass mail outs, newspaper, PSAs, radio, broad media or other communication.

Round 2 application forms should not be distributed during the outreach, nor should the outreach staff assist residents with completing application forms. Potential applicants should be given information on how to contact the Subrecipient intake staff, including information on the location(s) of intake centers.

Special Issues Impacting Outreach

Round 1 Applications. The Housing Guidelines provide that Round 1 applications may be considered as a starting point if they are within the designated target areas. This program, even for those within the designated targeted areas, is not a first-come-first served program. The Subrecipient should review Round 1 applications in targeted areas for damage (reconstruction versus rehabilitation) and elderly and special needs in compliance with the Round 2 Housing Guidelines. A narrative of how Round 1 applications that are planned to be used in Round 2 were collected, and the results of the Fair Housing review, should be included in the Outreach Plan. Addresses of applicants served in Round 1 should be provided to the outreach team so that work is not duplicated.

Damaged Structures Abandoned Post-Storm. Targeted outreach shall include efforts to locate HOP eligible applicants who were forced to relocate due to extensive disaster-related storm damage. Abandoned properties may be identified by visual reference (empty lots or uninhabited damaged structures) or by applicants providing information regarding relocated neighbors. The Subrecipient should review demolition records, request information on utility service disconnections, ask about children transferring out of schools, or other methods determined by the Subrecipient in order to identify displaced owners. If it appears that a home has been abandoned due to storm damage, the Subrecipient should attempt to find the homeowner for participation in the HOP program.

Applications Submitted from Non-Outreach Areas. Anyone is allowed to submit an application and have that application reviewed for eligibility. However, the targeted outreach areas must be served prior to other applications being served.

Outreach Plan

Each Subrecipient is required to send GLO an Outreach Plan based on the information from their Needs Assessment that includes:

- Available funding amount for each income level 0-30%, 31-50%, and 51-80%



- The targeted areas, qualifications for targeting, and the estimated number of persons identified in each tier of Targeted Outreach (Primary, Secondary, and Tertiary Target Areas)
- The Coordinator of the Outreach Program
- The designee or team who will conduct the targeted outreach in the field
- The specific plans for targeted outreach (mailings, community meetings, door-to-door, etc.)
- Round 1 application review for targeted areas and a description of the original Round 1 application solicitation process (if Subrecipient is using Round 1 applications as a starting point)
- Plan for contacting former residents of abandoned homes damaged by the storm
- Process for reviewing applications to determine how they compare with the income buckets and targeted areas
- Description or submission to GLO of any marketing items used in conjunction with the GLO supplied marketing templates.

The Outreach Plan may serve as a HOP-specific component of the Subrecipient’s overall Affirmative Marketing Plan.

Intake

The primary goal of Intake is to collect sufficient information to initiate a Round 2 application. GLO will provide the Round 2 Application to be used by all Subrecipients. To be considered for processing, all required application fields must be completed, and the paper application must be submitted to the Subrecipient before the intake period expires.

Intake oversight by the Subrecipient is required to ensure that the program applications received are consistent with the information provided in the Needs Assessment. The Subrecipient must regularly compare the demographics of the applications received to the Needs Assessment. Significant divergence from the Needs Assessment should be addressed by adjusting outreach methods and retraining outreach staff.

Completed applications are accepted by the Subrecipient and forwarded to the Eligibility team for further processing and introduction to the applicant’s assigned Mobility Counselor. Only the written materials and the HOP counselor will explain or answer detailed questions about HOP.



Eligibility

Completed Applications are received by the Subrecipient and the HOP applicant will be contacted for a Personal Consultation. While scheduling the Consultation, the Subrecipient should confirm application information and notify the applicant of all required documents.

The Subrecipient must provide the applicant a contact number for rescheduling the Consultation in case of unforeseen circumstances. If the applicant fails to attend two scheduled consultations without notifying the Subrecipient, then the Subrecipient may close the application and notify the applicant of such action.

Personal Consultation

At the Personal Consultation, the Subrecipient will meet with the applicant, and all adult (18 or older) household members that are available to attend the Consultation, to discuss their housing needs. The Subrecipient must confirm the application information and collect the required documents supplied by the applicant.

HOP Eligibility. After confirming the applicant's address prior to the scheduled meeting, the Subrecipient must check the address against the HOP GIS Map discussed under Needs Assessment. If the applicant's address is located within a HOP Eligible Area, then the Subrecipient will introduce a HOP mobility counselor prior to ending the Personal Consultation.

Area Median Family Income. During the Personal Consultation the Subrecipient should work with the applicant to calculate the household's Area Median Family Income (AMFI). Households with an AMFI above 80% are not eligible to participate in the program. The total AMFI should be compared to the available target economic service areas as determined by the Needs Assessment to determine if funds are left in that income category.

Child Support. The Subrecipient must confirm with the Texas Attorney General's Office the current status of all child support payments owed by the applicant. All applicants and co-applicants must be current on payments for child support. If the applicant or co-applicant are not current on court ordered child support, that member will be required to enter into a payment plan to eliminate any arrears. Any applicant that enters into a payment plan must supply a copy of the payment plan signed by all applicable parties, along with documentation that they are current on their payment plan.

Deed Review. The Subrecipient should inspect the applicant's warranty deed or deed of trust to the damaged address. HOP participants must have fee simple title, with no liens, to the damaged address in order to participate in HOP. Without a fee simple title the applicant may still participate in the Homeowner Assistance Program, but are not eligible for the relocation program. Applicants with a clouded title participating in the HAP program may provide alternative documentation supporting their ownership and complete the Homeownership Affidavit.

Ownership can be documented as follows:



4. For HOP or HAP Program: Provide a copy of a valid deed of trust or warranty deed that is recorded in the county records which cites the applicant's name. For Mobile Home Units (MHUs), a Statement of Ownership and Location (SOL) may be provided.
5. For HAP Program Only: Recognizing a need for alternatives to traditional proof of ownership for persons impacted by natural disasters, the Texas Legislature passed language that has been codified in the Texas Government Code section 2306.188, and addressed in rules by 10 Texas Administrative Code Section 54.3. For the purposes of federally funded disaster recovery programs, this means that ownership may be proven in the following manner:
 - i. Applicants may prove ownership by providing alternative documentation and completing a notarized affidavit that certifies that one of the following circumstances applies:
 1. There is nobody else who has the right to claim ownership;
 2. Anyone who has a right to claim ownership has agreed to participate in the program;
or
 3. Anyone who has a right to claim ownership could not be located (after reasonable attempts to contact); AND
 - ii. The alternative documentation that can be provided instead of a copy of the deed includes (in order of preference):
 1. Tax receipts;
 2. Home insurance;
 3. Utility bills; or
 4. Other documentation deemed to be acceptable by GLO
6. The documentation must show that the applicant was the person responsible for paying for these items at the time of the disaster. The required affidavit, form instructions and informational flyer may be found under Homeowner Assistance Forms at: <http://www.glo.texas.gov/GLO/disaster-recovery/forms/housing-forms-publications.html>

Applicants that complete the Homeownership Affidavit due to lack of clear title are not eligible to participate in HOP unless they are able to clear the title. Applicants that complete the Homeownership Affidavit may only repair or reconstruct their disaster-affected structure at their impacted address.

HOP eligible applicants with clouded titles may participate in GLO's Title Clearance Program or clear their title using alternative means if the applicant wishes to continue in the HOP relocation process. **Applicants participating in the Title Clearance Program will have up to one year to obtain fee simple title and the Subrecipient must hold the funds for this applicant to complete the title clearance**



process. *However, applicants will be informed of their option to repair or reconstruct in place and at any time during this period or at the end of the year, the applicant may revert to the standard Single Family Program at their discretion. The Subrecipient may also submit requests to waive the one-year requirement for applicants with significant title issues. These requests, submitted to the GLO, will be considered on a case-by-case basis.*

Tax Check. The Subrecipient must confirm with the local jurisdiction the property tax status of all applicants. HOP eligible applicants must be current on all damaged address property taxes before conveying the damaged address to the Subrecipient.

HOP applicants must furnish evidence that property taxes are current. Applicants may elect to participate in a tax payment plan, but payment plan participants may only repair or reconstruct their disaster-affected home.

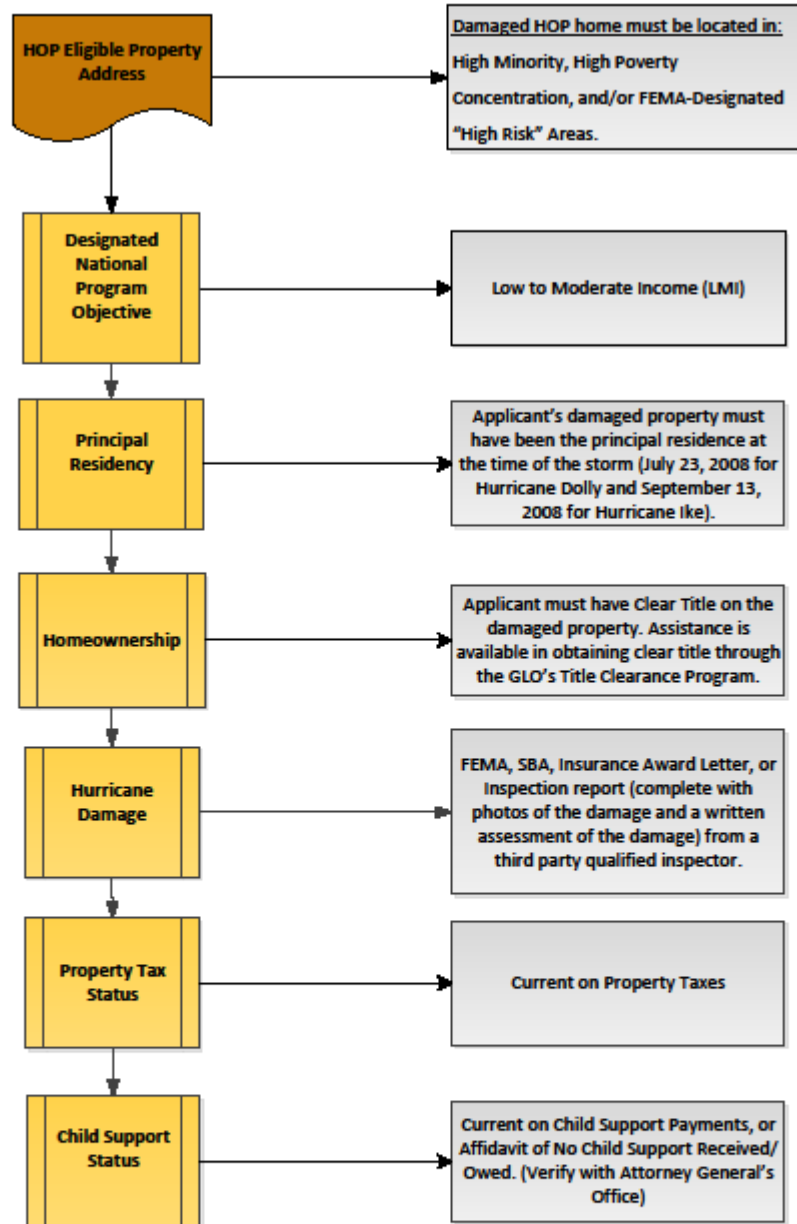
Duplication of Benefits. The Subrecipient is required by the Stafford Act to verify all federal and state housing repair benefits received by the Household and related to Hurricanes Ike and Dolly. The Subrecipient must verify amounts received with the granting party and verify benefit expenditures with the Applicant. Fund expenditures may be verified by receipts or by a professional site estimate provided by the Subrecipient. (See GLO Duplication of Benefit Guidance)

Introductory HOP Counseling. The Subrecipient must coordinate with the Mobility Counselors to provide all HOP eligible applicants with introductory HOP counseling. The introductory HOP counseling session should include a discussion about HOP, the fair housing choice options available to the applicant, and an overview of the HOP process. The primary goal of the introductory session is to educate the applicant on their options and initiate the decision-making process. At the conclusion of the counseling session, the Mobility Counselor and the Applicant must sign and complete the *Statement of HOP Understanding*. The Mobility Counselor shall submit the completed document to the Subrecipient.

During the preliminary stages of introductory and program options counseling sessions, all HOP eligible applicants will be assumed to be opted-in unless otherwise indicated by the individual. After participating in the introductory HOP counseling session, HOP eligible applicants may opt-out of HOP participation and seek repair or reconstruction assistance of their disaster affected property. If an applicant elects to opt-out of HOP, the Mobility Counselor must provide the applicant with the *Affidavit of HOP Participation Waiver* and submit the signed waiver to the Subrecipient. The applicant signing the waiver at the introductory session will be given HOP informational marketing materials and advised that they will have 30 days to change their mind and reengage with HOP. If an applicant chooses to reengage, then they may receive Program Options Counseling and have 45 days to make a final decision. In limited circumstances, the Subrecipient may allow HOP eligible applicants to reengage in the HOP program after they have opted-out of HOP participation for longer than 30 days.



Primary Eligibility Criteria



Site Eligibility

Damage Inspection. The Subrecipient shall coordinate with a damage inspector to verify hurricane damage and unmet need at the disaster address. The damage inspector must schedule an appointment with the applicant to visit the property and estimate the hurricane damage.

Homeowner Assistance is limited by the Housing Assistance caps in the Subrecipient's General Guidelines. The base unit "bid" amount is the maximum amount of assistance available to reconstruct or newly construct a home in the Subrecipient's community. The bid amount is set when the standardized set of new home specifications in the Guidelines are bid locally and an average price is established. Homeowner Assistance allows for additional costs above the base unit amount including elevation and abatement. Additional costs are specified and capped in the General Guidelines.

Rehabilitation of existing, hurricane damaged homes is capped at \$65,000 unless otherwise amended by GLO-approved Subrecipient Housing Guidelines. Applicants with less than \$65,000 in hurricane-related housing repairs, unless otherwise waived, are not eligible to participate in HOP and they will be processed as rehabilitation under the General Single Family Guidelines.

Additional expenses, such as elevation, are allowed as limited by the Housing Assistance Caps as described in the General Single Family Guidelines. Estimated rehabilitation costs exceeding this cap will be recommended for reconstruction.

Program Options Counseling

The Subrecipient must assign a Mobility Counselor within 10 days of confirming a HOP applicant's eligibility. The Subrecipient should remain with that applicant as the chief point of contact (case manager), throughout the life of the application process until the applicant takes the property, working closely with the Mobility Counselor during the HOP decision-making process. If a mobility counselor leaves or is reassigned, the applicant will be assigned a new counselor who shall make contact with the applicant within 10 days of being assigned the file.

The Subrecipient and the assigned Mobility Counselor shall schedule a Program Options Counseling session(s) to discuss the applicant's eligible options and the path forward. The Subrecipient will provide the applicant a *Summary of Preliminary Eligibility* to facilitate the Mobility Counselor's discussion on available housing options. **The Applicant will have 45 days from the first Program Options Counseling session to select a housing option. Extensions of this timeframe may be granted for cause.**

Mobility Counselors should have resource information available to them to provide educated advice and to assist in decision-making by the clients. These materials should include, at a minimum, school district ratings for eligible communities in the Subrecipient's jurisdiction, health service facilities and programs available in the community for those needing assistance, a mechanism for discussing transfer of programs currently being utilized by the applicant, and average utility costs and taxes for eligible program communities.



HOP Housing Options. HOP homebuyer assistance includes:

1. The Subrecipient acquisition of the damaged property combined with the purchase of an existing property within the COG Region that meets Housing Quality Standards (HQS) and is located in a Higher Opportunity Area. For regions in which a waiver of one of the HOP criteria has been granted, the applicant may relocate to an area that is dissimilar to the area that placed the Applicant in the HOP Program **unless otherwise approved by the GLO** (FEMA High Risk applicants may not move back into a FEMA High Risk area, applicants in high concentrations of poverty may not move back into high poverty areas, etc. unless the GLO has granted a waiver requested by the Subrecipient).
2. The Subrecipient acquisition of the damaged property combined with new construction of a Program designed home on a purchased a lot within the COG Region. Up to \$35,000 is available to purchase the new lot. The purchase of sites will be limited to fair market value and the Uniform Relocation Act (URA) shall apply.

Relocations through either lot acquisition and construction or acquisition of a new/ existing home will only be allowable if the lot does not require home elevation expenses. The GLO will provide technical assistance to Subrecipients on a case-by-case basis for applicants who choose to (re)construct in a jurisdiction that differs from the location of their existing storm-damaged property.

Additional Counseling Services. The Subrecipient may request that the Mobility Counselors assist applicants with document collection (on a limited basis) or additional counseling services as required during the eligibility process.

Mobility Counseling. After the Subrecipient has assigned a Mobility Counselor to an applicant, the Mobility Counselor should begin preparing the applicant for transition to a Higher Opportunity Area.

Counselors will be responsible for coordinating and assisting with resources related to housing and non-housing services that promote moving into a Higher Opportunity Area, which are the non-concentrated areas defined throughout the region. They will be trained to recognize the barriers people in high poverty neighborhoods face and help identify issues that may prevent a successful move, such as complex social issues, health problems, etc. Counselors will also be expected to be sensitive to cultural and/or other needs as it relates to moving to a new community. They will work to build strong, collaborative recovery partnerships that ultimately maximize limited resources and minimize the duplication of services and benefits. This better ensures a collaborative, seamless, community-wide long-term recovery structure.

Mobility Counseling Sessions will include at least eight (8) hours of homebuyer education. Counseling programs will encourage individuals to participate in homeownership and provide a method to track the achievement of the homeownership goal. Mobility Counseling also includes assistance with explaining relocation options in coordination with the Subrecipient, transfer of benefits, real estate professional



support and home selection assistance. Eligible expenses for relocation assistance may be found in the “Amount of Assistance” section of this document. Eligible costs must be reasonable and necessary (Uniform 49 CFR Part 24 Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally- Assisted Programs) and may include limited temporary housing and/or costs associated with storage of property items, moving expenses etc.

When roadblocks to disaster recovery are identified, the mobility counselor, applicant, and all parties involved will work together to adjust the plan and communicate the applicant’s needs. In cases where there is a lack of progress, it is the responsibility of the counselor to communicate directly with the applicant, either by telephone or in person (or eventually through the mail if the individual cannot be reached by telephone or in person), to work with the applicant to identify the reasons behind the lack of progress. If the lack of progress is due to roadblocks in the relocation or building process, then the counselor will work with the Subrecipient, applicant and realtor or home builder to resolve any issues, misunderstandings, or conflicts.

However, if the lack of progress is due to a lack of applicant participation in the recovery process and prior to rebuilding, the counselor will provide the applicant with two options:

- 1) work with the Subrecipient case manager to adjust the recovery plan and renew progress toward the recovery goals; or,
- 2) move toward case closure due to lack of applicant/ client participation.

Message delivery by counselors shall be standardized as much as possible. Counselors will be trained in applicable methodologies before being sent to the Subrecipient to receive applicant referrals. Counselors shall coordinate regularly with the Subrecipients and the GLO and will receive updated training as necessary.

Real Estate Professional Services. The Subrecipient shall utilize a pool of qualified real estate professionals to service HOP applicants in the area. The pool of professionals shall be assembled by the Subrecipient using qualifications issued by the GLO. Qualified professionals must participate in a GLO training session that describes the program objectives, expectation of services, Fair Housing requirements, HQS requirements, and the special needs of HOP applicants.

After the applicant commits to relocate through the HOP program, the Subrecipient will assign a real estate professional from the qualified pool to each HOP applicant. The applicant will have worked with their assigned Mobility Counselor to determine a list of desired property attributes, such as location on bus route, near hospital, etc., as part of their personal relocation plan. The Mobility Counselor will ensure that the real estate professional is aware of the needs of the applicant, as documented in the relocation plan, so that the property search is more targeted. The Mobility Counselor and the realtor



shall ensure that the homes presented to the applicant are located in eligible relocation areas. This may be done by using the GLO HOP Online Mapping Viewer.

The real estate professional may show the applicant up to seven homes meeting the applicant's needs and budget located within the eligible areas. The Subrecipient may request approval from the GLO for more than seven viewings for an applicant on a case-by-case basis. Applicant's that do not locate a property may opt out of HOP and reconstruct their disaster-impacted home or withdraw from the program. The real estate professional's commission shall come from the property seller. An additional realtor stipend for successful closings may be established for the HOP program by the GLO at a later date.

Eligible Properties. Eligible Properties that can be purchased include:

1. Single-family Property (detached and attached 1-4 units)
2. Condominium Unit
3. Cooperative Unit
4. Modular Home/Manufactured Home
5. Vacant Land (when coupled with a new home)

Site Inspection

After selecting a home, the Mobility Counselor will provide the Subrecipient a sales contract. The Subrecipient will confirm that the selected property is located in an eligible area. If the applicant is purchasing an existing home, then the Subrecipient will send a site inspector to the property to ensure that the site meets Housing Quality Standards (HQS) requirements. A representative of the Subrecipient will inspect all properties to ensure they meet Section 8 HQS and DR program requirements, at a minimum, prior to application approval. However, the inspection will not serve to assure the buyer that the property is free of defects. Therefore, the Subrecipient should strongly encourage lenders and real estate professionals to advise potential homebuyers to have an inspection performed for their benefit. The HQS inspection must be performed by a qualified or licensed real estate inspector and/or licensed contractor for specialized inspections, i.e., plumber, electrician, HVAC mechanic. The homebuyer's inspection, or any other inspection report, will not be substituted for the Subrecipient inspection.

In the event the property is found to be deficient in any area, the Subrecipient must develop a scope and budget to bring said property in compliance with all requirements. Purchase price and rehabilitation/repair cost must be known prior to application approval.

Properties built prior to 1978 may contain lead-based paint and will be visually inspected by the Subrecipient's designated inspector for defective paint. If a property fails the visual inspection, it will be determined unacceptable until the painted surfaces are corrected. All applicable sales contracts must include the "Addendum for Seller's Disclosure of Information on Lead-based Paint & Lead-based Paint Hazards as Required by Federal Law".



The applicant may not purchase existing homes that fail to meet HQS or that may not be reasonably rehabilitated. The purchase price combined with rehabilitation costs not related to accessibility or abatement may not exceed the maximum allowable base unit “bid” amount. The applicant may be required to locate a different property.

Environmental Review

After the HQS inspection, an environmental review must be performed on the property prior to federal funds being committed by the Subrecipient (24 CFR Parts 50, 58, 574, 582, 583, and 970). **Also, the Disaster Recovery Program will not purchase homes for an applicant to move into that have been determined to be in the floodway.**

There will be two environmental work orders that will be issued for relocation projects:

1. Damaged Site Environmental Work Order, and a
2. New Site Location Environmental Work Order

The damaged site location will require environmental clearance even if reconstruction/rehabilitation will not take place at that site. If there are any HUD funds being utilized at the damaged site (Including, but not limited to: Demolition of damaged home, Site Cleanup, Land Banking, Conversion to Green Space, Transfer of Title, etc.), they must be environmentally cleared and accounted for.

The new site location that the homeowner will relocate to will also require environmental clearance before any construction or rehabilitation may begin.

If any construction activity begins prior to obtaining an environmental clearance, for either site location, then there is potential concern of a §58.22 program violation. A §58.22 program violation may involve sanctions, up to and including a total repayment of the project cost.

The Subrecipient must include the HQS inspection approval and environmental clearance letter in the closing package.

Closing

The Subrecipient shall coordinate a property closing with a title company to facilitate the ceding of the damaged property and the acquisition of the new lot or existing home. Mobility Counselors shall attend closings to assist the applicant buyer in understanding the process.

Amount of Assistance

HOP Homebuyer Assistance is limited to the Housing Assistance Caps in the Subrecipient Guidelines as approved by GLO. The base unit “bid” amount is the maximum amount of assistance available to purchase a new/existing home. It is set when the standardized set of new home specifications in the General Guidelines are bid locally and an average price is established. Funds to purchase, construct,



and/or purchase and rehabilitate a home for a homeowner relocating under HOP shall originate with the applicant's original housing program location and the funds will follow the applicant to their new location.

HOP Homebuyer Assistance allows for additional costs above the base unit amount including any necessary accessibility items or abatement measures. Additional costs are specified and capped in the General Guidelines.

- The services category is limited to \$15,000 or actual costs and includes costs such as real estate professional fees, moving expenses, up to three months of temporary relocation expenses as warranted and utility connection costs. Temporary relocation assistance may be offered at the discretion of the Subrecipient; however, services are limited to applicants who qualify for the HOP, must be approved by the GLO as reasonable, and may not exceed \$5,000 per household. It is anticipated that the assistance will be provided when the closing occurs for the new or existing home purchase and temporary assistance may not be necessary.
- The vacant land limit is set at \$35,000. Although this is the cap, it is also not the floor; the actual lot cost should not exceed the standard single lot size in the community.

Housing purchases that exceed the maximum limits must be paid for with other sources of funds or a mortgage obtained by the homebuyer. The maximum total purchase price of the home to be acquired may not exceed the limits set for Single Family Mortgages in Section 203(b) of the National Housing Act.

Program Limitations

- Applicants participating in HOP must contribute 100% of the assistance received under the program toward the purchase of the newly acquired property. No refunds will be provided for less expensive home purchases.
- Outstanding taxes, liens, or mortgages are the responsibility of the homeowner and must be satisfied prior to transfer of title.

Disposal of Property

The Subrecipient must determine how property shall be used once acquired through HOP and shall have right of first refusal on property disposition. The existing structure(s) on the property that is acquired must be demolished within 45 days. Demolition of the property may be performed with CDBG DR funds.

For applicants that decide to relocate under HOP, clear title to their existing home will be transferred to the Subrecipient without a separate acquisition "buy out" of the existing property. To the extent allowed by HUD and where the final use of the property will be known and consistent with CDBG regulations and for the purposes of the relocation of the applicant, transfer of title to a nonprofit or Community Based Development Organization (CBDO) will be allowed. The Subrecipient will be required



to pay GLO the fair market value of the damaged home if that property is not used to meet a CDBG national objective for at least five years. Subrecipients, or the third-party nonprofits to whom the Subrecipient transfers the property, must use the HOP-damaged properties they acquire in a way that serves LMI individuals, lessens slum and blight, or meets an urgent need for at least five years. CBDOs may have flexibility from some of these requirements, however, and Subrecipients wishing to transfer properties to CBDOs should contact GLO for technical assistance before proceeding.

Subrecipients will also be provided the option to sell the vacated property at fair market value so long as any program income received is utilized in furtherance of the Round 2 housing program and in accordance with CDBG rules and the State of Texas Action Plan, as amended. The Subrecipient will have 120 days within which to sell the property. If no sale is made, the property must remain with the Subrecipient, non-profit or CBDO as described above.

Post-Move Mobility Counseling

After the applicant has relocated, the Mobility Counselor shall provide a limited amount (estimated at up to eight hours per applicant household) of transitional counseling services for up to 60 days after the applicant's relocation. Counseling services may include verification of transfer of utilities, enrollment in local school districts, and answering questions on home ownership and maintenance issues.

