



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/11/2018

ALL

Item Creation Date: 10/4/2018

### HCD18-87 Harvey Homeowner Assistance Program Guidelines

Agenda Item#

#### **Background:**

The Housing and Community Development Department (HCDD) requests that City Council approve an ordinance adopting the attached guidelines for the Harvey Homeowner Assistance Program (HoAP) for the Community Development Block Grant-Disaster Recovery (CDBG-DR) funding for Hurricane Harvey from the Texas General Land Office (GLO). HoAP will be the primary program for providing assistance for repair and reconstruction to households whose homes were damaged by Harvey.

The goals and objectives of HoAP are to provide housing programs that will preserve and expand the housing stock while creating sanitary, safe, energy efficient housing, and a resilient community. Houston's objectives also include prioritizing elderly and disabled households and households in which members are under the age of five while affirmatively furthering fair housing. HoAP also places an emphasis on housing choices and designs that reduce maintenance and insurance costs as well as provide independent living options. The program will also secure housing by bringing existing units into compliance with applicable health and safety codes or by replacing those existing structures that cannot be technically or economically repaired.

These guidelines will provide the broad outline of what programs will be covered and how the homeowners of Houston can apply for assistance. HCDD provided the broad terms required by the laws and regulations surrounding the Hurricane Harvey disaster funding to stakeholder groups to define the basis for the programs designed. These guidelines have also been published for public comments, input from interested parties, and feedback from funding sources. These guidelines are the first step needed to implement viable programs that will fulfill the needs of Houston's recovery from the devastation wrought by Hurricane Harvey and its aftermaths.

The HoAP is expected to be divided into five main categories: Reimbursement for repairs completed; City-Managed Rehabilitation and /or Reconstruction; Homeowner-Managed Rehabilitation; Acquisition; and Interim Mortgage Assistance. Program details are as follows:

1. **Reimbursement:** Homeowners who have completed partial or full repairs on their home may be eligible for reimbursement of eligible expenses incurred prior to application to the program for work performed. The reimbursed value of repair work will be limited to the cost of achieving minimum program standards. As per U. S. Department of Housing and Urban Development (HUD) regulations, any work considered for reimbursement must have been performed prior to program application or and following an environmental "Tier



11" clearance. Xactimate® or similar industry standard tool will be used to ensure cost reasonableness, and the work will be validated through an on-site inspection.

2. **City Managed Rehabilitation and Reconstruction:** The City will manage and complete the construction process for the rehabilitation or reconstruction of Harvey-damaged homes on behalf of homeowners. The City will contract with multiple firms to provide design and construction services for the rehabilitation or reconstruction of damaged properties.
3. **Homeowner Managed Rehabilitation:** This option will allow homeowners who have started the process, and are under contract with a contractor at the time of application, but need financial assistance to complete repairs. The City will assist homeowners participating under this option to navigate Program compliance requirements and funding process. Services are anticipated to include general customer service assistance, identification and referral to community resources and referrals, program guidance, support in accessing funds, progress inspections, and on a case-by-case basis, limited construction information. Homeowners will select their own licensed and insured contractor(s) and contract verifications, subject to approval and verification by HCDD. Xactimate® or similar industry standard tools will be used to ensure cost reasonableness and the work will be validated through an on-site inspection. Homeowner managed rehabilitation will only be available to homeowners who have initiated the repair process and are under contract with a contractor at the time of application. Program Standard Operating Procedures will fully address program details, including minimum construction standards, environmental compliance, program controls, and circumstances under which this option may be provided
4. **Acquisition:** Homeowners may be eligible to have their single-family homes voluntarily acquired by the City in conjunction with its Single-Family Development Program. The City will provide owners of substantially damaged homes the option to exchange their home for a newly constructed, or rehabilitated home, built to flood resilient standards. The City-acquired home may then be sold, reconstructed or rehabilitated to flood resilient standards and offered to another homeowner within the acquisition program or for sale to an LMI buyer.
5. **Interim Mortgage Assistance (IMA):** Interim Mortgage Assistance (IMA) may be provided to homeowners who are making both a mortgage payment on their storm-damaged home and making a rental payment for a temporary home. These homeowners may be eligible to receive up to 20 months of assistance based on the lesser of their monthly mortgage and temporary rental housing payments. This option may be considered when the rehabilitation or reconstruction of a home extends beyond three months, during which mortgage payments may be due, but the home remains uninhabitable. This assistance will help to ease the financial hardship homeowners may face during the post disaster recovery period and prevent homeowners from going into foreclosure.

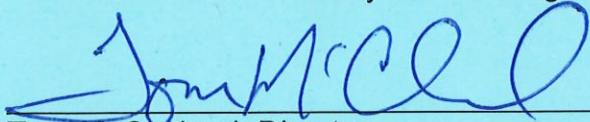
Assistance for Reimbursement, City Managed Rehabilitation and Reconstruction, Acquisition, and Homeowner Managed Rehabilitation will be provided in the form of a zero-interest, forgivable loan, secured by placement of a (second) lien on the applicant property.



No fiscal note is required on grant items.

All work is expected to be completed within 5 years from the award of the contract to the City of Houston from GLO, HUD's direct recipient of Hurricane Harvey CDBG-DR funds.

This item was reviewed by the Housing and Community Affairs Committee on 10/16/2018.



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Tom McCasland, Director

**Prior Council Action:**

6/27/2018 (O) 2018-518

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