



COMMUNITY DEVELOPMENT AND HOUSING

CONSOLIDATED ACTION PLAN

2015

OCTOBER 01, 2015 – SEPTEMBER 30, 2016

Craig Doyal

Mike Meador, Commissioner

Charlie Riley, Commissioner

James Noack, Commissioner

Jim Clark, Commissioner

County Judge

Precinct 1

Precinct 2

Precinct 3

Precinct 4

Joanne Ducharme, Ph.D., Director

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

FY 2015 is the third year of the current 5-Year Consolidated Plan. Commissioners, Advisory Council and staff, with input from the community, prioritized services to the homeless, low income housing programs, and certain non-homeless special needs groups.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

FY 2015 focused primarily on homeless activities, but also covers other needed services, particularly to special needs populations, such as the elderly, disabled, and abused children. In Capital projects, a residential treatment facility for substance abusers is funded, as well as a mortgage payment on a large community center housing multiple social service agencies. Housing rehab and demolition also continues. HOME funds are allocated to construct transitional housing for the homeless, and to construct single family housing for sale to the general low income population. ESG funds are awarded to two shelter operations, one assisting youth and the other assisting the general adult homeless population.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Community Development completed a large project to construct a new schoolhouse building for the developmentally disabled as well as a wastewater treatment facility at a sheltered workshop program for the developmentally disabled. A medical clinic for the indigent in east county is in expansion mode. Construction has begun on a service center to assist very low income and homeless residents in east Montgomery County, and on the remodel of the former food bank warehouse for use as a homeless empowerment center.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

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The Citizen Participation Plan is attached. Three nights of public hearings were conducted to hear proposals for projects, followed by a fourth public hearing to take citizen comments on the selected projects. A synopsis of awards was posted in the newspaper with a comment period available for the citizenry.

Public Notices for the Community Development Block Grant Public Hearings Scheduled for 2015 Needs Assessment, Social Services, Capital Projects, and Interested Parties appeared in the following local newspapers on the dates listed below. The public hearing dates were April 28-30, 2015.

Conroe Courier-March 18, 2015, March 22, 2015, April 2, 2015

El Sol-April 3, 2015

Public Notices for the Home Investment Partnerships Program and Emergency Solutions Grant For Homelessness Public Hearings Scheduled for 2015 Needs Assessment, Housing Projects, Homelessness Projects, Capital Projects and Interested Parties appeared in the following local newspapers on the dates listed below. The public hearing dates were April 28-30, 2015.

Conroe Courier- March 18, 2015, March 22, 2015, April 2, 2015

El Sol- March 20, 2015

The Plan was made available to the public for their review and comment beginning June 16, 2015 and ending July 7, 2015. The Plan was available at the Community Development Office located at 501 N. Thompson, Suite 200, Conroe, Texas 77301. Notices were placed in the local paper and El Sol Spanish Newspaper and posted at the Montgomery County library branches and at the East, West, Northwest, and North Community Development Centers, stating that the Plan was available for review. During the review period, no citizens viewed the Plan at the Community Development Office.

Public Notices for the Montgomery County Community Development Department Proposed Statement of Objectives and Use of Funds appeared in the following local newspapers on the dates listed below. The public hearing date was July 1, 2015.

Conroe Courier- June 15, 2015, June 21, 2015, June 25, 2015

El Sol- June 12, 2015

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

No comments were received in reference to this proposed plan during the formal comment period. No citizens attended the public hearing.

6. Summary of comments or views not accepted and the reasons for not accepting them

There were no comments or views during the comment period.

7. Summary

Montgomery County Community Development is on track to achieving the items prioritized in the 5-Year Consolidated Plan, which are a result of the input from the community at large.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	MONTGOMERY COUNTY	
CDBG Administrator		Community Development
HOPWA Administrator		
HOME Administrator		Community Development
ESG Administrator		Community Development
HOPWA-C Administrator		

Table 1 – Responsible Agencies

Narrative (optional)

Montgomery County does not contract out administration of its Entitlement funds. They are managed in-house.

Consolidated Plan Public Contact Information

Montgomery County Community Development

501 N. Thompson, Suite 200

Conroe, TX 77301

936-538-8060

AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

Montgomery County consults with a wide variety of organizations, particularly during the development of the Consolidated Plan. MCCD conducts focus groups, public hearings, and a written and electronic survey to tap the will of the taxpayers. Professional organizations are consulted for expertise on specific subject matter. During the preparation of the Annual Plan, a less extensive process is used, since the Annual Plan is designed to carry out the Goals and Objectives of the Consolidated Plan. Annually, the County only consults with professionals to assess emerging issues of concern.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

There is no public housing in Montgomery County, however several tax credit multi-family projects are located throughout the County. Community Development reviews and offers letters of support for projects, and sets aside CDBG funding for local match to the annual competitions. When appropriate, the Department serves as a resource to Developers to identify potential sites and population needs and to advise and assist with any NIMBY issues which may arise. The County has built housing and facilities for mental health providers. The County is currently developing transitional housing for the homeless with wraparound services provided by agencies coordinated within a central homeless empowerment center, which is also funded by Community Development.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Montgomery County Homeless Coalition manages the CoC, which is part of the Balance of State.

MCCD is funding a capital project for the Coalition, an empowerment center for training and multi-agency aid. This collaborative project will coordinate as many as 37 agencies in one location.

Consultations with the Coalition and member agencies identified needed services to be provided in the building, and built a consensus of who would do what. Community Development further assists CoC projects by providing Environmental Exemption/Exclusion documentation as a free service, and monitors consistency with the Consolidated Plan.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

MCCD consulted the Homeless Coalition regarding what the greatest service needs in the county currently are, and allocated CDBG, HOME and ESG funds according to those identified needs. The awarded agencies, as local professionals in their fields, developed performance standards and outcomes based on best practices. The Homeless Coalition wholly operates the HMIS without input from the County, except that MCCD requires all recipients of ESG and certain CDBG and HOME funds to participate in HMIS.

The Director of Community Development led a strategic planning process for the Homeless Coalition (CoC). In six sessions, the committee clarified the Coalition's mission, strengths and weaknesses, goals and objectives, and prioritized actions to address 1) continuity of the organization 2) public relations 3) value to member organizations 4) progress toward ending and preventing homelessness and 5) advocacy for the homeless.

The County District Attorney's office, law enforcement, churches, social service agencies, mental health organizations, shelters, government officials and funders participated in the process.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Montgomery County Homeless Coalition
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Homeless Coalition discussed which sub populations of homeless most needed service and what kinds of service were needed.
2	Agency/Group/Organization	Habitat for Humanity
	Agency/Group/Organization Type	Housing Land Availability
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Habitat has extensive knowledge about available land in the county, and owns several lots. H for H assisted in identifying available land and reasonable costs for acquisition of a building for a homeless empowerment center, and provided expertise for construction of transitional housing.

3	Agency/Group/Organization	Montgomery County Youth Services
	Agency/Group/Organization Type	Services - Housing Services-Children Services-homeless Child Welfare Agency
	What section of the Plan was addressed by Consultation?	Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Youth Services provided expertise regarding the needs of homeless youth in the county, both day services and shelter, and the need for services to youth aging out of foster care.
4	Agency/Group/Organization	Salvation Army -- Conroe Corps
	Agency/Group/Organization Type	Services-homeless Regional organization
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Salvation Army was consulted for expertise on the needs of the chronically homeless, as well as homeless families. SA is instrumental in accomplishing goals set forth in the anti-poverty strategy, particularly in terms of job training and placement.
5	Agency/Group/Organization	The Friendship Center
	Agency/Group/Organization Type	Services-Elderly Persons Services-Persons with Disabilities Transportation Provider

	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Friendship Center is the only provider of transportation for elderly/disabled in the county, and is instrumental in all talk of public transportation. Connectivity for employment and healthcare is part of the anti-poverty strategy.
6	Agency/Group/Organization	Montgomery County District Attorney
	Agency/Group/Organization Type	Other government - County Grantee Department
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy criminalization of homelessness
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The District Attorney sent a representative to strategic planning sessions for the Homeless Coalition, to add expertise regarding the Courts' approach to homelessness.
7	Agency/Group/Organization	City of Conroe Police Department
	Agency/Group/Organization Type	Other government - Local

	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City of Conroe Police Chief participated in the Homeless Coalition strategic planning process to give perspective regarding the problems community policing encounters with the homeless.
8	Agency/Group/Organization	Montgomery County Sheriff's Office
	Agency/Group/Organization Type	Other government - County Grantee Department
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Sheriff's office sent a deputy to participate in the Homeless Coalition strategic planning process to provide the perspective of law enforcement regarding homeless camps in the county.
9	Agency/Group/Organization	Conroe Downtown Merchants Association
	Agency/Group/Organization Type	Business and Civic Leaders

	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Downtown Merchants Association sent a representative, Rodney Poole, to discuss the problems the area has with loitering and the lack of restroom facilities for the homeless.
10	Agency/Group/Organization	Angel Reach
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Angel Reach is a nonprofit which provides housing and employment assistance to women aging out of foster care and their children. They provided input regarding transitional housing needs and employment training.

Identify any Agency Types not consulted and provide rationale for not consulting

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No relevant agencies were ignored.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Montgomery County Homeless Coalition	The current 5-Year Plan prioritizes services and housing for the homeless.
H-GAC Sustainability Plan	Houston-Galveston Area Council	The Sustainability Plan addresses employment, connectivity and housing as a means to end homelessness
South County Mobility Study	Montgomery County	The mobility plan addresses routing and expansion of roadways to accommodate possible housing development, and drainage issues to remediate flooding of housing.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

Montgomery County is a small, rural area. The nonprofit directorship is a close-knit community. Interaction is not formal or merely once per year for the purposes of preparing a plan. Interaction and discussion is ongoing. This year, the strategic planning process for the Homeless Coalition enabled several roundtable discussions by entities who do not normally participate in trying to solve the homeless problem.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Montgomery County engages the citizenry extensively. During the development of the Consolidated Plan, citizens participated in focus groups, written and electronic surveys, and public hearings. Goals were set based on that feedback. The Annual Plan is a continuation of the goals set in the Con Plan, developed with the input from last year. Citizens were given several opportunities to comment, both in public and in writing. These opportunities were published in the newspaper in English and Spanish, and posted at community gathering places, such as community centers and libraries.

Decisions regarding funding of projects are made by a Citizen's Advisory Committee, comprised of interested volunteers appointed from each Precinct. This committee heard presentations and read materials from applicants and as a group made funding recommendations based on the goals and objectives prioritized by the general citizenry in the Con Plan.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted/broad community	Newspaper public notices appeared in the Conroe Courier on March 18, 2015, March 22, 2015 & April 2, 2015, notifying the public of the presentations of applicants' proposed projects and encouraging public comment.	None	None	
2	Newspaper Ad	Non-English Speaking - Specify other language: Spanish	Newspaper public notices appeared in the El Sol Spanish language newspaper on April 3, 2015 notifying the public of the upcoming presentations of applicants' proposed projects and encouraging public comment.	None	None	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Meeting	Non-targeted/broad community	Public meetings were held on April 28, 2015, April 29, 2015, and April 30, 2015 to hear applicant proposed projects and take comment from the general public regarding the proposed projects.	None	None	
4	Newspaper Ad	Non-targeted/broad community	Newspaper notices appeared on June 15, 2015, June 21, 2015, and June 25, 2015 to notify public of a public hearing and comment period to review the proposed FY 2015 Annual Plan	None	None	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
5	Newspaper Ad	Non-English Speaking - Specify other language: Spanish	A newspaper ad was published on June 15, 2015 in the Spanish language newspaper El Sol to notify the public of an upcoming public hearing and comment period for the proposed FY 2015 Annual Plan.	None	None	
6	Public Hearing	Non-targeted/broad community	The Annual Plan was presented in a public hearing on July 1, 2015.	None	None	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
7	Commissioner's Court	Non-targeted/broad community	The proposed FY 2015 Annual Plan was submitted to the Commissioner's Court on July 14, 2015, for approval prior to submission to HUD. The Court docket includes a public comment period for anyone wishing to address any concerns regarding anything on the docket.	None	None	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c) (1, 2)

Introduction

Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,172,630	0	0	2,172,630	4,345,260	CDBG funds will provide public services, demolition, housing rehab, debt service on a community center, and pre-construction and construction costs of a residential treatment facility for substance abuse.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	442,085	0	0	442,085	880,000	HOME funds will go to a CHDO to construct single family homes for sale to the general low income population, and to construct transitional housing for the homeless.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	190,017	0	0	190,017	400,000	ESG funds go to two shelter programs, one for homeless youth and the other for general and chronic homeless.
General Fund	public - local	Admin and Planning	1,000	0	0	1,000	2,000	Local funds provided by Commissioners Court

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Match is required of and provided by the agencies receiving grant funds, and is monitored and required to be booked with each draw request to the county. In addition, the CHDO uses the HOME funds to leverage a multi-million dollar YouthBuild grant, and uses the youth to construct housing. The Montgomery County Commissioner's Court provides Community Development with \$1000 in local funds to cover incidental expenses not allowed under federal rules, such as a water cooler for the office. Occasionally, small amounts of program income are generated via an unforeseen foreclosure or release of property lien. These funds are negligible and unpredictable, and are usually rolled into whatever

project generated it.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

No projects are planned which would benefit from the use of publically owned land or property.

Discussion

Montgomery County Community Development is committed to addressing the homeless issue during this 5-Year Consolidated Plan. Virtually all funds are allocated to either assist the homeless or prevent homelessness. The county very much wishes to use HOME funds to construct transitional housing, but is faced with a constantly diminishing grant which has dropped to a level such as to be almost unusable. The County wishes to suggest to HUD that funds relinquished by or recaptured from other jurisdictions be offered in a second round competition, with priority given to jurisdictions with initial allocations less than \$750,000. Many times, smaller and rural pj's have the greatest and most expensive housing need.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Infrastructure & Support for Special Needs	2013	2017	Non-Homeless Special Needs	County Wide Service or Project	Elderly/Disabled Low Income Children	CDBG: \$145,000	Public service activities other than Low/Moderate Income Housing Benefit: 1106 Persons Assisted
2	Support for Homeless	2013	2017	Homeless	County Wide Service or Project	Homelessness	CDBG: \$55,894 HOME: \$331,564 ESG: \$182,673	Public service activities other than Low/Moderate Income Housing Benefit: 250 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 12 Households Assisted Homeless Person Overnight Shelter: 8175 Persons Assisted Homelessness Prevention: 59 Persons Assisted Housing for Homeless added: 10 Household Housing Unit Other: 50 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Community Development Service and Infrastructure	2013	2017	Non-Housing Community Development	Magnolia Willis Precinct Four County Wide Service or Project	Elderly/Disabled Low Income In Economic Distress	CDBG: \$1,385,912	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 10 Persons Assisted Public service activities other than Low/Moderate Income Housing Benefit: 981 Persons Assisted
4	Housing Development and Improvement	2013	2017	Affordable Housing	County Wide Service or Project Montgomery	Elderly/Disabled Low Income Children Low Income In Economic Distress	CDBG: \$131,298 HOME: \$76,313	Homeowner Housing Added: 2 Household Housing Unit Homeowner Housing Rehabilitated: 5 Household Housing Unit Buildings Demolished: 12 Buildings

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Infrastructure & Support for Special Needs
	Goal Description	Public Service funding for Children's Safe Harbor to treat child victims of sexual abuse, and The Friendship Center to provide transportation for elderly and disabled.

2	Goal Name	Support for Homeless
	Goal Description	<p>CDBG: Public Service funding to Homeless Coalition for operation of the homeless empowerment center to enable multiple agencies to provide assessment, support services, counseling, case management, mental health treatment and job skills training to homeless individuals.</p> <p>CDBG: Public service funding to Youth Services for Street Outreach van.</p> <p>CDBG: Public Service funding to MCEA to prevent homelessness due to devastating house fires.</p> <p>HOME: Preconstruction and construction costs of approximately ten units of transitional housing for the homeless.</p> <p>ESG: Funding to two sheltering organizations, including shelter ops, outreach, prevention and assistance to find permanent housing. One shelter is for runaway youth, one shelter is for the general adult homeless population.</p>
3	Goal Name	Community Development Service and Infrastructure
	Goal Description	<p>CDBG: Annual mortgage payment on an existing community center in Northwest Montgomery County which houses nonprofit service organizations to provide for low income, elderly, and special needs.</p> <p>CDBG: Public service funds to two faith-based organizations, SOS and St. Vincent de Paul, which provide emergency financial assistance to low income, and to Heaven's Army for legal aid for the low income.</p> <p>CDBG: Funds set aside to begin pre-construction and construction activities for a residential treatment facility for substance abusers.</p>
4	Goal Name	Housing Development and Improvement
	Goal Description	<p>CDBG: Demolition of derelict housing</p> <p>CDBG: Rehabilitation/Reconstruction of owner-occupied low income housing using prior year funds. Current year funds are for project delivery.</p> <p>HOME: Pre-construction and construction costs of new homebuyer housing for the general low income population, via a CHDO, plus project delivery costs.</p>

Table 7 – Goal Descriptions

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

Montgomery County estimates that twelve LMI families will receive affordable housing as a result of the HOME program funds in FY 2015.

AP-35 Projects – 91.220(d)

Introduction

Montgomery County focused allocations on the homeless and special needs groups, as well as underserved areas of the county.

#	Project Name
1	Society of Samaritans
2	Society of St. Vincent de Paul
3	Children's Safe Harbor
4	The Friendship Center
5	Montgomery County Emergency Assistance
6	Heaven's Army
7	Northwest Montgomery County Community Center
8	Montgomery County Homeless Coalition
9	Residential Treatment Facility for Substance Abuse
10	Housing Rehab Project Delivery
11	Housing Demolition
12	HOME Project Delivery
13	CDBG Program Administration and Planning
14	Walker-Montgomery Community Housing Corporation
15	Transitional Housing for the Homeless
16	HOME Program Administration and Planning

Table 8 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Based on results of citizen input during the five year planning process, homelessness and services to special needs populations are the priority for funding. The obstacles to addressing underserved needs include 1) lack of funding, 2) size of the county, 3) lack of adequate staffing, and 4) the fast growth of the county compared to the slow growth of CPD allocations.

Projects

AP-38 Projects Summary

Project Summary Information

Table 9 – Project Summary

1	Project Name	Society of Samaritans
	Target Area	Magnolia Montgomery
	Goals Supported	Community Development Service and Infrastructure
	Needs Addressed	Low Income In Economic Distress
	Funding	CDBG: \$50,000
	Description	Emergency Financial Assistance to prevent homelessness, primarily rent, utility and prescription assistance and food.
	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	233 LMI households in financial crisis.
	Location Description	SOS serves primarily the Magnolia area of southwest Montgomery County
	Planned Activities	Emergency rent, utility and prescription assistance and food.
2	Project Name	Society of St. Vincent de Paul
	Target Area	County Wide Service or Project
	Goals Supported	Community Development Service and Infrastructure

	Needs Addressed	Low Income In Economic Distress
	Funding	CDBG: \$50,000
	Description	Emergency financial assistance to prevent homelessness and assist low income residents in crisis.
	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	638 LMI families will receive assistance
	Location Description	St. Vincent de Paul serves primarily the central portion of the county, but is available to residents who live county wide.
	Planned Activities	Financial assistance for rent, utilities and prescriptions
3	Project Name	Children's Safe Harbor
	Target Area	County Wide Service or Project
	Goals Supported	Infrastructure & Support for Special Needs
	Needs Addressed	Low Income Children
	Funding	CDBG: \$80,000
	Description	Children's Safe Harbor provides medical intervention, advocacy and counseling for child victims of sexual abuse and their non-offending caregivers.
	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	781 victims of abuse will benefit from care.
	Location Description	Children's Safe Harbor operates and assists children from throughout the county.

	Planned Activities	Forensic interviews, medical exams, advocacy for families of victims of child sexual abuse, counseling of victims and non-offending caregivers.
4	Project Name	The Friendship Center
	Target Area	County Wide Service or Project
	Goals Supported	Infrastructure & Support for Special Needs
	Needs Addressed	Elderly/Disabled
	Funding	CDBG: \$65,000
	Description	Transportation services for elderly and disabled.
	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	325 families will benefit from their loved one being provided with transportation.
	Location Description	Services are provided countywide.
	Planned Activities	Transportation to various medical appointments and shopping needs.
5	Project Name	Montgomery County Emergency Assistance
	Target Area	County Wide Service or Project
	Goals Supported	Infrastructure & Support for Special Needs Support for Homeless
	Needs Addressed	Homelessness Low Income In Economic Distress
	Funding	CDBG: \$20,895
	Description	Financial assistance to victims of devastating house fires or floods.
	Target Date	9/30/2016

	Estimate the number and type of families that will benefit from the proposed activities	59+ families without insurance and a support network, who have lost their homes in devastating events.
	Location Description	This project will support families in all parts of the county.
	Planned Activities	Provide temporary lodging or other needs to families left homeless by a devastating fire or flood.
6	Project Name	Heaven's Army
	Target Area	Precinct Four
	Goals Supported	Community Development Service and Infrastructure
	Needs Addressed	Elderly/Disabled Low Income In Economic Distress
	Funding	CDBG: \$25,000
	Description	This nonprofit provides a comprehensive set of services to homeless and low income residents of underserved east Montgomery County.
	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	Ten families will receive assistance.
	Location Description	Precinct four, east Montgomery County, is a pervasively low income area, generally under served due to its size and remote areas.
	Planned Activities	Low and no-cost legal aid to seniors.
7	Project Name	Northwest Montgomery County Community Center
	Target Area	Montgomery
	Goals Supported	Community Development Service and Infrastructure

	Needs Addressed	Elderly/Disabled Homelessness Low Income Children Low Income In Economic Distress
	Funding	CDBG: \$385,978
	Description	Community Center Building located in Montgomery, Texas, named the Lone Star Community Center. This project is complete and the building is operational. There is a mortgage on the facility requiring an annual payment.
	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	At least 100 families will benefit from services provided at this center.
	Location Description	The City of Montgomery is a small, rural town with a high population of low income and minority residents. The center is located adjacent to a low income African American community and housing for seriously mentally ill adults.
	Planned Activities	Multiple nonprofit organizations provide services to low income local residents. The building is available for community events as well.
8	Project Name	Montgomery County Homeless Coalition
	Target Area	County Wide Service or Project
	Goals Supported	Support for Homeless
	Needs Addressed	Homelessness
	Funding	CDBG: \$20,000
	Description	The Homeless Coalition is a group of service organizations working collaboratively to end homelessness in Montgomery County. The Coalition is developing a Homeless Empowerment Center to provide services in a central and coordinated manner.

	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	250 families will benefit from having their homeless members case managed and receive resources at the center.
	Location Description	The Homeless Empowerment Center is located in the former Food Bank warehouse in central Conroe, in the Dugan neighborhood, a low income, high concentration minority inner-city area. It is located across the street from the Salvation Army shelter.
	Planned Activities	Public service funds to operate a service center, to provide job skills training and other supportive services to homeless and low income at risk for homelessness.
9	Project Name	Residential Treatment Facility for Substance Abuse
	Target Area	County Wide Service or Project
	Goals Supported	Support for Homeless Community Development Service and Infrastructure
	Needs Addressed	Homelessness Low Income In Economic Distress
	Funding	CDBG: \$874,934
	Description	Montgomery County has no residential programs for intensive treatment of addictions. These funds will begin the preconstruction and construction activities to construct a facility to be operated by a professional entity at that entity's expense. Selection of an operator will be done by RFP.
	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	The center is unlikely to become operational during the initial year of investment. Estimates will be for a 16 bed unit, with 90 day turnover.
	Location Description	The location of this facility has not yet been determined, but will serve residents countywide.

	Planned Activities	
10	Project Name	Housing Rehab Project Delivery
	Target Area	County Wide Service or Project
	Goals Supported	Housing Development and Improvement
	Needs Addressed	Elderly/Disabled Low Income Children Low Income In Economic Distress
	Funding	CDBG: \$31,298
	Description	Reasonable costs to deliver rehabilitation services to low income home owners.
	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	Five families will benefit from rehabilitation of their primary residence.
	Location Description	This program repairs homes countywide.
	Planned Activities	
11	Project Name	Housing Demolition
	Target Area	County Wide Service or Project
	Goals Supported	Housing Development and Improvement
	Needs Addressed	Homelessness
	Funding	CDBG: \$100,000
	Description	Demolition of derelict, abandoned housing
	Target Date	9/30/2016

	Estimate the number and type of families that will benefit from the proposed activities	Twelve structures are estimated to be demolished with these funds.
	Location Description	Houses are demolished countywide.
	Planned Activities	Demolition of housing, liens placed on the properties until owners reimburse the county for the costs of the demolition.
12	Project Name	HOME Project Delivery
	Target Area	County Wide Service or Project
	Goals Supported	Housing Development and Improvement
	Needs Addressed	Elderly/Disabled Low Income Children
	Funding	HOME: \$10,000
	Description	Reasonable costs for HOME unit inspections, construction oversight and overseeing the down payment assistance (direct subsidy) program.
	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	Twelve households will benefit from inspections or coordination of homebuyer assistance activities.
	Location Description	This service is provided county wide.
	Planned Activities	Rental housing inspections, construction oversight and overseeing the down payment assistance (direct subsidy) program.
13	Project Name	CDBG Program Administration and Planning
	Target Area	County Wide Service or Project

	Goals Supported	Infrastructure & Support for Special Needs Support for Homeless Community Development Service and Infrastructure Housing Development and Improvement
	Needs Addressed	Elderly/Disabled Homelessness Low Income Children Low Income In Economic Distress
	Funding	CDBG: \$434,526
	Description	Reasonable costs to administer the CDBG program.
	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	Community Development headquarters are in Conroe, Texas
	Planned Activities	Reasonable, allowable costs associated with administering the CDBG Program.
14	Project Name	Walker-Montgomery Community Housing Corporation
	Target Area	County Wide Service or Project
	Goals Supported	Housing Development and Improvement
	Needs Addressed	Elderly/Disabled Low Income Children
	Funding	HOME: \$66,313
	Description	YouthBuild program which teaches construction skills by building single family homes for sale to low income.

	Target Date	9/30/2018
	Estimate the number and type of families that will benefit from the proposed activities	Two houses will be constructed during this time period. Approximately 30 youth will benefit from learning a marketable skill.
	Location Description	Unknown at this time. The CHDO is in process of locating land to purchase to continue this program.
	Planned Activities	Construction of two single family homes while training YouthBuild students in a marketable skill.
15	Project Name	Transitional Housing for the Homeless
	Target Area	County Wide Service or Project
	Goals Supported	Support for Homeless Housing Development and Improvement
	Needs Addressed	Homelessness
	Funding	HOME: \$331,564
	Description	New Construction of approximately ten units of transitional housing, to be managed by a nonprofit. This project will be awarded via RFP.
	Target Date	9/30/2016
	Estimate the number and type of families that will benefit from the proposed activities	Up to ten families once housing is complete.
	Location Description	Unknown. This RFP is in process. Until a service provider is selected and land is located, the location is unknown.
	Planned Activities	Pre-construction and construction costs to develop and build up to ten units of transitional housing for homeless exiting shelter.
16	Project Name	HOME Program Administration and Planning
	Target Area	County Wide Service or Project

Goals Supported	Infrastructure & Support for Special Needs Support for Homeless Community Development Service and Infrastructure Housing Development and Improvement
Needs Addressed	Elderly/Disabled Homelessness Low Income Children Low Income In Economic Distress
Funding	CDBG: \$44,209
Description	
Target Date	9/30/2016
Estimate the number and type of families that will benefit from the proposed activities	Reasonable and allowable costs for the administration of the HOME Program.
Location Description	HOME is administered in Conroe, but benefits countywide.
Planned Activities	Reasonable and allowable costs for the administration of the HOME Program.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Montgomery County does not target geographically. The areas of low income and minority concentration identified in the Needs Assessment have very small populations.

Geographic Distribution

Target Area	Percentage of Funds
Magnolia	
Willis	
Precinct Four	1
County Wide Service or Project	77
Montgomery	22
Precinct 3	

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Montgomery County does not allocate investments geographically. Low income and minority populations tend to be spread out all across the county. The only significant areas of minority concentration are inside the City of Conroe, which is a separate jurisdiction. Some areas of the County are identified as low income or minority areas locally, but do not actually rise to the standard of 51%, or our adjusted rate of 47%. In other instances, census tracts show as being 51% minority or low income, however the population is spread out on ancestral land and is best served one-on-one based on need.

Discussion

Community Development allocates funds to programs which serve all eligible applicants countywide, based on need rather than race, ethnicity or location. Need is prioritized, with homeless first, then elderly, disabled, and households with preschool children taking priority over the general low income population.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Community Development is putting increased emphasis on serving the homeless and preventing homelessness. Prevention includes the development of new affordable units and rehabbing derelict units which are still salvagable. The County's stated priority for the period is homeless, followed by elderly, disabled, and households with preschool children.

One Year Goals for the Number of Households to be Supported	
Homeless	8,544
Non-Homeless	881
Special-Needs	1,111
Total	10,536

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	871
The Production of New Units	2
Rehab of Existing Units	5
Acquisition of Existing Units	0
Total	878

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion

Limited funds prevent Community Development from producing many new units at a time. The bulk of households supported receive assistance with rent assistance, rehab of derelict properties, and shelter.

The county does support the state tax credit competition when funds are available. Below are new Guidelines for underwriting multi-family projects.

AP-60 Public Housing – 91.220(h)

Introduction

Montgomery County does not have public housing. HUD operates a Section-8 Only Housing Authority in geographic Montgomery County.

Actions planned during the next year to address the needs to public housing

There are no plans at this time to create public housing. HUD determines the number of Section 8 Vouchers awarded to its Housing Authority.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Not applicable.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable.

Discussion

The Housing Authority is not a department of county or city government. The two entities interact regularly. The Housing Authority's greatest need is access to quality affordable housing, which Community Development is striving to build. The Housing Authority does not own property.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Montgomery County's current 5-Year Consolidated Plan places special emphasis on addressing the homeless problem, and this action plan furthers those goals. The size of the homeless population, both actual and relative to the overall population, is small but growing.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

ESG funds are earmarked for two homeless service agencies, one which specializes in minors and one which is for the general homeless population. The Salvation Army does not conduct special street outreach activities as it is filled to capacity most nights of the week. The SA has broken ground on a new, larger shelter, but this expansion will only bring them to capacity without using overflow cots nightly. Youth Services conducts outreach at locations known to be frequented by teenagers, using a van provided by CDBG.

CDBG public service funds are awarded to the Homeless Coalition to operate a Homeless Empowerment Center where assessments occur. The Coalition anticipates providing outreach and assessment to 250-homeless persons during this annual period.

CDBG capital funds are earmarked for a residential treatment facility for substance abusers, to help prevent job loss and homelessness caused by addictions.

Addressing the emergency shelter and transitional housing needs of homeless persons

ESG Funds are awarded to Youth Services and Salvation Army for sheltering. Youth Services expects to shelter 155 homeless youth, and Salvation Army projects 8020 individuals for the year.

HOME funds were set aside to construct up to 10 units of transitional housing for the homeless. Prospective tenants will be assessed in shelter for readiness for independent housing.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals

and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

CDBG Capital funds were awarded last year to the Homeless Coalition to remodel a former Food Bank Warehouse into a homeless empowerment center. Multiple agencies will provide services, including job readiness and job skills training, nutrition, mental health, counseling, assessment, case management, and lifeskills, aimed at shortening periods of homelessness and permanently lifting individuals and families out of homelessness. That project is in pre-construction design.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

ESG funds were awarded to two homeless organizations to provide outreach, prevention, shelter, and permanent housing assistance. CDBG Funding was provided to Montgomery County Emergency Assistance to assist recently-homeless families who are victims of a devastating flood or house fire, by providing emergency housing assistance until the families can locate other resources. CDBG Funds were awarded to St. Vincent de Paul and Society of Samaritans to provide emergency financial assistance to prevent homelessness, including rent, utility and prescription assistance.

A residential treatment facility for substance abusers was funded in this fiscal year to treat hard core addicts who are otherwise in danger of losing jobs and becoming homeless due to drug and alcohol consumption. Referrals will come, in part, from other institutions, such as health care facilities, mental health facilities, corrections, and the Courts.

Discussion

Efforts in FY 2015 will focus on prevention and transitioning sheltered individuals into permanent housing.

One year goals for the number of households to be provided housing through the use of HOPWA for:
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family
Tenant-based rental assistance
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds
Total

AP-75 Barriers to affordable housing – 91.220(j)

Introduction

Public policies in Montgomery County and the cities within its jurisdiction are generally supportive toward affordable housing. A review conducted by members of the Fair Housing Advocacy Committee indicates there are no negative tax policies, land use controls or zoning ordinances that would impede affordable housing.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

An analysis of impediments performed in 2013 revealed that there are no public policies creating barriers to affordable housing. However, the private sector in Montgomery County targets construction of high end housing only, with a growth of +63% in homes valued over \$500,000 since 2000. The prosperity and boom nature of Montgomery County has created a disincentive to build affordable housing, especially due to the speculative nature of land costs. Much of what is built is being developed by Community Development.

Discussion

Montgomery County has experienced 60% population growth in the past eight years primarily in upper income brackets. The strong job market has driven this growth. Affordable housing continues to fall behind, with no new vouchers for the Housing Authority and a falling CDP HOME budget with which to develop and preserve affordable housing.

AP-85 Other Actions – 91.220(k)

Introduction

The primary focus of Montgomery County Community Development is on facilitating the availability of quality affordable housing and suitable living conditions for homeless and low income residents. These programs are described under Projects. Secondly, Community Development works to enhance the quality of life for local residents, particularly the vulnerable populations of elderly, disabled, and abused. These projects are also described.

The section below describes other statutorily required areas which Community Development must address.

Actions planned to address obstacles to meeting underserved needs

The County Analysis of Impediments identifies several obstacles to meeting underserved needs. Out of that list, the following items will be addressed in this Plan Year:

1. Preserve existing Low-Moderate housing by continuing to provide a rehab/replacement program for eligible homeowners. Continue using Community Development Block Grant (CDBG) funds for rehabilitation/replacement programs.
2. Build affordable housing for the general low income population, using CHDOs and non-profits.
3. Build transitional housing for the homeless, assist in permanent housing activities for the homeless.
4. Continue to demolish slum/ blight residential property to improve quality of life in low income neighborhoods and minimize opportunities for illegal and drug activity.
5. Initiate prevention services by constructing a residential treatment facility for substance abusers.

Actions planned to foster and maintain affordable housing

With CDBG funds, the County plans to continue providing rehab/replacement of derelict housing and repair/replacement of suitable water and septic systems for low income residents. In addition, abandoned units will be demolished.

With HOME funds, the County plans to fund a CHDO which constructs new single-family affordable housing for sale to eligible low income families, and to construct units of transitional housing for the homeless. Although no HOME funds from this fiscal year will be provided for down payment assistance for first time homebuyers, the department will continue to work with a subrecipient who manages this program, to use prior year funds for this worthwhile endeavor.

With ESG funds, the County plans to assist formerly homeless persons to find and maintain suitable affordable permanent housing.

Actions planned to reduce lead-based paint hazards

Community Development will continue to provide educational material regarding lead-based paint hazards to all applicants. The Department's Housing Rehabilitation and Reconstruction Guidelines have been revised to remove the restrictions which were in place prohibiting rehabilitation of houses built prior to 1978. The Community Development construction manager is responsible for learning and navigating the extensive federal requirements for testing, training, certifying, and rehabilitating housing which is vulnerable due to this particular toxin.

Actions planned to reduce the number of poverty-level families

The root causes of poverty in the rural county are 1) un- or underemployment, 2) lack of education, 3) limited access to healthcare, and 4) limited access to transportation.

Employment and training programs are essential to increasing access to financial resources that will stabilize low/mod and poverty level families. Community Development funds a job skills training program for troubled youth via CHDO funds to teach the youth how to build houses. The planned homeless empowerment center is a collaborative of multiple agencies, including job skills training to be provided by a local community college and others. The planned residential facility for substance abuse is intended to minimize job loss and subsequent homelessness due to addictions.

Limited access to health care was addressed in the prior year Annual Plan.

This Plan supports construction of quality affordable housing throughout the county, limiting the need for public transportation.

Actions planned to develop institutional structure

Community Development works with other County departments, local governments, nonprofit organizations, neighborhood groups, and interested individuals to develop the capacity of each of these groups to apply for, operate, or maintain programs and projects. Plans include providing more technical assistance to developers wishing to build affordable housing, and RFPs to draw larger, specialized service providers into the county to implement services, including residential treatment for substance abuse and transitional housing.

Actions planned to enhance coordination between public and private housing and social service agencies

The projects listed in this Annual Action Plan will require a wide range of community involvement. The

HOME RFP to construct transitional housing for the homeless will be a partnership of Community Development and nonprofit organizations able to operate the housing when complete. The planned homeless empowerment center will include organizations which provide housing and organizations which provide services, in a collaborative environment. The planned substance abuse treatment facility will be in collaboration with an experienced service provider.

Discussion

Lack of funding is a major delimiter for carrying out effective programming in Montgomery County, particularly in the housing development sector, due to the ever-decreasing allocation of HOME funds.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction

Montgomery County receives a very small HOME allocation, which has shrunk progressively each year. No multi-year funding commitments are planned at this time. HOME funds are slated for a CHDO to construct single family housing for sale to the general low income population, and for the construction of a few units of transitional housing for the stabilized homeless.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	98.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is	
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2015	

as follows:

Match for HOME projects is provided from the private resources of the subrecipient who wins a funding award. No other forms of investment are used in the HOME program.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Montgomery County uses recapture for the following HOME based programs as required by 24 CFR 92.254(a):

RECAPTURE:

The down payment and closing costs program is known as the Down Payment Assistance (Direct Subsidy) Program. Through a contract with Easter Seals, the program provides up to \$14,500 in down payment assistance to qualified first time homebuyers in the 0-80% median income categories who wish to buy a home to be used as a principal residence, based on income, debt load and all provisions listed in 24 CFR 92.254. Easter Seals uses an Affirmative Fair Housing Marketing Plan to do outreach to low income prospective homeowners, then leads the families through the necessary steps and processes to purchase affordable housing in Montgomery County.

Down Payment Assistance (Direct Subsidy) Program Recapture occurs when the recipient of HOME dollars either sells the property encumbered by HOME funds during the five year affordability/compliance period, or when the recipient of HOME funds defaults by leasing the property, fails to maintain the property as a primary residence, the property is foreclosed on by any lender, or when the recipient violates the covenants contained in the Written Agreement between Montgomery County Community Development and the recipient of HOME funds. The terms of recapture are contained in the Written Agreement between Montgomery County and the recipient of HOME funds for each program listed. The following are the current recapture terms:

Net Proceeds of a sale are the sales price of property minus the superior loan repayment (other than HOME funds) and any closing costs. If the Net Proceeds are insufficient to repay the Note and Borrower's investment (which includes any portion of initial down payment paid by Borrower combined with the value of any capital improvements made with Borrower's funds), the Borrower's investment is paid in full first from the available proceeds from the re-sale and the Note is repaid to the extent that proceeds are available. If there are no Net Proceeds, repayment of the Note is not required. Any Net Proceeds in excess of Borrower's investment and the amount to be repaid under the Note are paid to the seller of the Property.

The entire set of guidelines and forms for this program are attached.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

1. The contract for sale of the home must include a provision requiring the family acquiring the home to be income-eligible as qualified by the Houston/Baytown/Sugarland MSA income limits for

LMI or below.

2. The affordable sales price of the HOME-assisted property shall be determined by the PJ as 95% of the Area Median Purchase Price at the time of sale as determined for Baytown/Sugarland/Houston MSA.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Montgomery County has no plans to use HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds.

Emergency Solutions Grant (ESG) Reference 91.220(l)(4)

1. Include written standards for providing ESG assistance (may include as attachment)

Written standards for providing ESG assistance are attached.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Continuum of Care has not yet established a centralized or coordinated assessment system that meets HUD requirements, however in this Annual Plan Montgomery County is awarding funds for the operation of a homeless empowerment center, (the facility was funded in the prior year) which will enable the CoC to begin providing centralized and coordinated services and assessment.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

An application for ESG funds is released in late January. It is placed on the county website, advertised in the local newspapers, and a mailing list of interested parties are notified that it is available electronically or in hard copy. The applications are due the end of March. An Allocations committee, appointed by Commissioner's Court, reviews the applications. Applicants are required to present their proposed projects at a public hearing, and answer the questions of the committee.

Decisions are made based on 1) county coverage, 2) population served, 3) past performance record as a subrecipient, and 4) funding availability. Generally one or two agencies are funded. The application packet includes budget forms which break services out by percentage caps, into sheltering, outreach, rapid re-housing, and HMIS components.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

Both subrecipients have formerly homeless persons on their Advisory Boards. In addition, one of the staff of Montgomery County Community Development was formerly homeless.

5. Describe performance standards for evaluating ESG.

Nonprofits who receive funds must submit measurable outcomes at the time of application which make sense for the population they are serving. Agencies must:

1. Submit documentation timely
2. Spend the funds properly
3. Document numbers served, numbers achieving self-sufficient housing outside shelter, and numbers of clients who achieve a pre-set case management goal.

Discussion

Montgomery County receives less than \$200,000 per year in ESG funds, which will lightly fund two agencies at a time. Agencies use client based performance outcome measures to define and track success with program objectives.

Attachments

Citizen Participation Comments

SUMMARY OF PUBLIC COMMENT PERIOD

The Plan was made available to the public for their review and comment beginning June 16, 2015 and ending July 7, 2015. The Plan was available at the Community Development Office located at 501 N. Thompson, Suite 200, Conroe, Texas 77301. Notices were placed in the local paper and El Sol Spanish Newspaper and posted at the Montgomery County library branches and at the East, West, Northwest, and North Community Development Centers, stating that the Plan was available for review. During the review period, no citizens viewed the Plan at the Community Development Office.

APPENDIX A:

CITIZEN PARTICIPATION PLAN

Revised 07/10

CITIZEN PARTICIPATION PLAN

Montgomery County encourages citizen participation whenever feasible. Below is the Citizen Participation Plan currently in use by Montgomery County Community Development.

INTRODUCTION

The Citizen Participation Plan ensures adequate opportunities for citizens of Montgomery County to participate in the planning, implementation and assessment of Montgomery County Community Development (MCCD) Programs. The Citizen Participation Plan outlines the formal procedures to disseminate information and enable participation by citizens, and identifies how and where a citizen may otherwise comment on the program.

This Citizen Participation Plan aims to assure procedures which adequately address the following five (5) objectives:

- (1) To provide for and *encourage citizen participation*, with emphasis on participation by persons of low and moderate income who are residents of low and moderate income areas or slum and blighted areas in which funds are proposed to be used;
- (2) To provide citizens with *reasonable and convenient access* to local meetings, information, and records relating to MCCD's proposed and actual use of funds, including proposed substantial amendments to the planned use of funds;
- (3) To *provide technical assistance* to groups who are representative of persons of low and moderate income who request such assistance in the development of proposals relating to the use of Community Development funds;
- (4) To provide for *public hearings to obtain citizen views* and to respond to proposals and questions at all stages of the planning and funding award and implementation process, including the identification of needs, review of proposed activities, and the review of program performance; *and*
- (5) To provide for a timely written *response to written complaints* and grievances within fifteen (15) working days, where practicable.

1. ENCOURAGING CITIZEN PARTICIPATION

The County will use several methods for encouraging citizen participation. These are:

- (A) public announcements
- (B) outreach efforts to special groups
- (C) formal public hearings (discussed in a separate section below)
- (D) a citizens advisory committee (see policy for citizen advisory committee)
and
- (E) periodic live and written survey methods

A. Public Announcements

Public Announcements will be used at various stages of the Community Development program process. These stages include:

- 1) Announcement of the time and place of all public hearings;
- 2) Announcement of the availability of funds for distribution to non-profit organizations;
- 3) Publication of the Proposed Statement of Community Development Goals and Objectives and Projected Use of Funds, and the publication of the availability of the Final Statement of Community Development Objectives and Projected Use of Funds (The Approved Consolidated Plan or Yearly Action Plan);
- 4) Substantial changes to the Final Statement which include meetings and public hearings; *and*
- 5) Notification of availability of Grantee Performance Reports for citizen review (The Comprehensive Annual Performance Report and Evaluation-CAPER).

Public announcements will be in the form of notices in the local newspaper, posting at various places, and may include public service announcements distributed to other news media.

In addition, MCCD may periodically relate information regarding the activities of the Department in general news stories in newspapers of general circulation. These stories will include accomplishments of the Department and its Subrecipients, information regarding projects such as surveys and focus groups, and the results of research conducted within local communities regarding opinions and perceptions, general demographic information, and other community-based projects.

Public announcement will be made of proposed substantial amendments to the planned uses of funds. A substantial amendment consists of the addition or deletion of an announced project, a change in funding to Subrecipients or change to the announced Subrecipients, or a change in the geographic location of a capital project from one precinct to another.

B. Outreach Efforts to Special Groups

Another method which will be employed to encourage citizen participation is outreach to special groups. These special groups may include minorities, the elderly, the disabled, business organizations, and civic groups. Upon request, the County will personally notify special groups of meetings and hearings concerning the Community Development Program and activities.

Anti-Displacement

At this time, Montgomery County has no intention of engaging in activities which would likely result in the displacement of citizens, and will continue to work to minimize any displacement as a result of program delivery. If such an event should arise, however, the

persons who would be affected by the project will be subject to all outreach efforts employed to contact other special groups. The responsible party, whether Subrecipient, subcontractor or the County itself, will bear the cost of relocating the affected citizens, either temporarily or permanently, to safe, sanitary, decent housing as near as feasible to the original location, unless it is the desire of the citizen to relocate elsewhere within the county. The replacement housing must be at least equivalent in size, condition and value to the original housing and not create an undue increased financial burden on the citizen, unless waived by the displaced resident. The county will be responsible for contacting and informing the citizen of the terms of the displacement agreement.

C. Public Hearings

Hearings will be held after adequate notice, at times and locations convenient to potential or actual beneficiaries and with accommodations for the handicapped. See section below specifically dedicated to the Public Hearing process.

D. Citizens Advisory Committee

The purpose of the Citizens Advisory Committee is to improve and ensure citizen input and participation in decisions made regarding MCCD funds. To serve on this Committee, a member must be a resident of Montgomery County at least eighteen (18) years of age, have transportation and an ability to attend meetings and public hearings, and the ability to read and write in English.

Each Precinct Commissioner appoints one to two representatives of his precinct and the County Judge selects one to three at-large representatives to serve as a Citizens Advisory Committee for Community Development. Appointees serve at the pleasure of their Commissioners for five year terms, renewable without term limits.

Members of this Committee serve in an advisory capacity. Once per year, or more often if additional funding comes available for Montgomery County, these citizen representatives preside over public hearings, then meet to review and discuss a) information obtained in the public hearings, b) information obtained by other survey methods, and c) applications for funding from the non-profit sector. Committee members score and prioritize applications according to the established priorities of the Community Development Department, and make recommendations for funding as a group to the Director. Throughout the year, members notify the Director of information vital to meeting community needs, participate in survey or other information-gathering projects, and assist the Director in developing strategies for addressing identified needs.

E. Live and Written Survey Methods

Periodically, and especially before proceeding with each 5-Year Plan, Community Development will attempt to ascertain the opinions and perceptions of the general public in Montgomery County. This will be accomplished by written and/or live survey methods in the form of questionnaires distributed and focus groups conducted county wide, with special care to include representation from multiple economic, ethnic, racial, age and other demographic groups. These surveys will assess public perceptions and opinions only, and are not to be confused with surveys to determine demographic info or

income levels of specific census areas. Whenever focus groups are arranged, at least one group will be organized to be conducted in Spanish.

2. ACCESS TO INFORMATION

Information regarding access to public hearings and information is detailed in other sections of this document.

Access to Records

Records regarding the MCCD program are kept in the office of The County Clerk and The Montgomery County Community Development Department, except for certain records regarding specific projects being implemented by other departments, or financial records maintained by the County Auditor, Infrastructure, Purchasing or County Treasurer. Requests to review any records regarding the MCCD program may be made to the Director of Community Development or the County Attorney. Records will be made available for viewing by appointment only during open business hours. Upon receipt of a request, the applicant requesting access to such records will be notified when they are ready for viewing. MCCD maintains the right to protect certain client information when appropriate.

Assistance to non-English speaking persons

The Community Development Department will attempt to meet the needs of non-English speaking persons who are residents of eligible Community Development areas or who may be affected by Community Development activities. When it is made known to the Community Development Department that a significant number of non-English speaking citizens require bilingual assistance, the Community Development Department will attempt to provide that assistance. Assistance may be provided by translating public information into other languages as identified by significant need, publishing statements in other languages that advise of the availability of information as identified by significant need, and if a significant need is established, publishing all public notifications in a bilingual format. Should the Community Development Department be notified that a significant number of non-English speaking citizens will attend a public meeting or hearing, the Community Development Department will attempt to have an interpreter present at the meeting or hearing.

3. TECHNICAL ASSISTANCE

Upon request, the Community Development Department will provide any citizen or special interest group with technical assistance in the form of advice and sharing technical and program knowledge. Additionally, based upon the availability of staff and the nature of the request, the Community Development Department may provide individual consultation, workshops, training, and printed materials to any citizen organizations, groups of low and moderate income persons, residents of slum and blighted areas, and other groups who are affected by or are interested in the objectives of Montgomery County's Community Development Program. The Community

Development Department may at its discretion contract with private non-profit or for-profit organizations to provide technical assistance.

4. PUBLIC HEARINGS

Public meetings serve as the opportunity to provide information and answer citizen questions and to receive proposals, suggestions, and other comments regarding Community Development Programs. Each hearing will be open to all comments regarding proposed and active MCCD Programs. The primary purpose is described below.

Hearing on Needs (The Consolidated Plan)

Prior to the preparation of each 5-Year Consolidated Plan, at least one hearing will be held in each Precinct by The Community Development Department and/or Commissioners Court at which citizens are asked to suggest and identify needs which should be addressed in the MCCD Program and to propose programs and projects to be included in the Plan.

The public hearing will include an introductory presentation to provide summary information about the nature and purpose of the MCCD program, types of eligible activities, and the amount of funds expected to be available for upcoming application cycles. When prior survey or focus group research has been conducted, the results of these citizen-input tools will also be presented.

Hearing on Substantial Changes

Prior to submission of any substantial changes in the Final Statement of Objectives and Use of Funds, at least one hearing will be held by The Community Development Department and/or Commissioners Court at which citizens are given an opportunity to comment on proposed changes or amendments.

Hearing on CAPER

Upon completion of the Final Performance Report each year, at least one hearing will be held by The Community Development Department and/or Commissioners Court at which citizens are asked to comment on aspects of performance and implementation of the MCCD program. The public hearing will include an introductory presentation to provide information regarding the status of all activities in the latest Community Development program year, as well as the status of any activities from prior year programs which have not been completed.

Location and Time of Hearings

All hearings will be held after normal work hours (5:00 p.m.) to allow working persons to attend and comment. These hearings will be held at a convenient location, which is accessible to the disabled. Provisions for hearing impairments will be arranged upon request.

Notices for Public Hearings

Notices for hearings will include the time and location for the hearing and information regarding the purpose of the hearing. Notices will be published at least ten (10) days prior to the hearing when possible, in an appropriate, non-legal section of a local newspaper. Additionally, notices of such public hearing(s) will be posted at the locations identified below and at such other places as may be deemed appropriate by the Community Development Director.

- 1) The Montgomery County Public Libraries
- 2) The Montgomery County Community Development Centers
- 3) The Montgomery County Courthouse Bulletin Board

Such notices will generally be posted at least ten (10) days prior to any public hearing.

Comments/Suggestions

Citizen comments and suggestions regarding the MCCD program are not limited to those received in the hearing process and may be made at any time. Likewise, information regarding the MCCD program is available at any time upon request.

Comments and suggestions for future MCCD programs may be made verbally or submitted in writing at any time by contacting the Montgomery County Community Development Department or the County Judge. Such comments will be taken under advisement and forwarded to the County Commissioners, when appropriate.

Citizens desiring information or wishing to make comments or a complaint should contact:

Dr. Joanne Ducharme, Director
Montgomery County Community Development
501 N. Thompson, Suite 200
Conroe, Texas 77301
(936)538-8060

5. COMPLAINTS

Upon receipt of a written complaint, the Director of the Montgomery County Community Development Department will research the complaint and situation, as well as local and federal guidelines and regulations to determine whether the complaint is justified and recommend action if appropriate. A written response outlining the determination and any proposed action will be made within fifteen (15) working days of the receipt of the written complaint. If no determination can be made within fifteen (15) days, the person(s) may be notified as to when a response can be expected.

APPENDIX B:

HOUSING REHABILITATION GUIDELINES

HOUSING REHABILITATION COLLABORATIVE PROGRAM REHABILITATION PROGRAM GUIDELINES & POLICIES

A. ELIGIBILITY OF PROPERTY.

1. **Location.** The Housing Rehabilitation Collaborative Program is coordinated and partially funded by a federal entitlement grant from the department of Housing and Urban Development. Consequently, only residences located in Montgomery County and outside the city limits of Conroe are eligible for assistance.
2. **Primary Residence. Only Existing Homeowners are eligible for assistance.** The current Homeowner must use the property as a primary residence. The Homeowner must be occupying the residence and must have occupied the residence to be rehabilitated for at least 3 years prior to application. For the purposes of these guidelines, a current homeowner is the person whose name appears on the deed filed of record to the property and the home, and is occupying the residence. The deed, filed of record, must be in the name of the Applicant at least 3 years prior to the submission date of the application.
3. **Type of Property.** The type of properties to be assisted will be limited to single-family residences. Single-family residences are one-unit structures that are detached from any other housing with open space on all four sides.
 - a. Under certain extreme conditions Montgomery County Housing Rehabilitation Collaborative will replace a mobile home with a new mobile home on owner or rented property. Mobile home to be replaced must have a clear title and be in the name of the applicant. The County will place a lien on the mobile home structure but not on the property. This will be done only in cases of last resort with extreme safety concerns. Qualification may depend on availability of hook ups for water, sewer and for permitting requirements eligibility. All decisions regarding replacement of mobile homes on rented property are at the discretion of the Director of Community Development. Client may move the mobile home at client's expense. If client abandons the home due to inability to pay for relocation (or any other reason) the rules of the program apply. Client is subject to repayment or exercise of the lien. Relocating the home does not end the terms and conditions of the affordability period.
4. **Cost of Rehabilitation.** To qualify, the property must be substandard and suitable for rehabilitation. The property must need rehabilitation to meet HUD Housing Quality Standards (HQS). Rehabilitation funds per home are limited to that which is necessary to make a house decent, safe and sanitary. Where documentation and/or circumstances prove reasonable, the Montgomery County Housing Rehabilitation Collaborative has the discretion to approve additional funds. The amount approved on each project is based on the approved work to be completed and the availability of funds. There is no guarantee that every residence will receive maximum funding, and there is no entitlement by the Homeowner to maximum or any funding. There is a possibility that prior to or during construction; the intended cost of the project could change. The cost could

increase or decrease depending on the circumstances. The Homeowner will be notified in writing of any change to the intended work by the Project Supervisor.

5. **Zoning and Other Land Use Regulations.** The property must be in compliance with all local government zoning ordinances, special district regulations, and County subdivision regulations and permitting processes including minimum lot sizes. Proof of compliance may be required at the time of application.
6. **Homeowner's Insurance.** If the Homeowner has Homeowner's insurance, proof of insurance must be submitted to Montgomery County Housing Rehabilitation Collaborative with the application. Homeowners are required to maintain flood (where applicable) and hazard insurance throughout the affordability period. Failure to maintain flood insurance WILL result in the lack of future federal assistance. Failure to maintain hazard insurance MAY result in the lack of future federal assistance. It is highly recommended Homeowners maintain insurance policies set forth for the life of the home.
7. **Condition and Maintenance of Property.** The property must be clear of trash, old cars, junk, old equipment, appliances and materials not in use, and other unsightly, unsafe, and/or unsanitary conditions. The Homeowner must maintain their property in good condition throughout the term of the agreement, or five (5) years, whichever is longer. The property must not be used for illegal purposes.
8. **Home-Based Businesses.** Over fifty percent (50%) of the property may not be used for business purposes. The portion of the property used for business purposes is not eligible for rehabilitation. The Homeowner must provide all documentation regarding financial information, whether business related or otherwise, as requested by Montgomery County Housing Rehabilitation Collaborative.
9. **Property Title Holder.** The title or deed of the property/mobile home must be in the Homeowner/Applicant's name. Only title holders who live on the property or own the home are eligible for assistance. The Applicant must occupy the residence, and be named as title holder to the property/mobile home on the deed. Property cannot be held by siblings, spouses, or any party not occupying the residence.
10. **Clear Title.** All taxes and mortgage payments must be current and the title to the property must be clear of any mechanic's liens. Property being purchased under a Contract for Deed is not eligible for the Rehabilitation Program. Properties subject to any pending legal proceedings such as divorces, lawsuits, foreclosures, or seizure by local, state, or federal authorities are not eligible for assistance. If the taxes on the property are not current, the Homeowner must be on a payment plan, approved by the Montgomery County Tax Office. To qualify for assistance, the Homeowner must be current on all Homeowner Association Dues, Property Owner Association Dues, or any other land encumbering dues or taxes. The Homeowner must provide a letter from the association stating that the Homeowner has paid the appropriate fees and the property is clear of liens and other encumbrances. The Montgomery County Housing Rehabilitation Collaborative does not pay Property Association Dues.

- 11. Proof from Mortgage Company.** If the Homeowner is paying for the home under a mortgage or other financing method, the Homeowner must provide a letter from the financing individual or institution stating the Homeowner is current on mortgage payments. Only Homeowners current on mortgage payments and/or other type of home financed payments, such as home equity loans, are eligible for assistance.
- 12. Previous Assistance.** Any owner previously provided housing rehabilitation or reconstruction assistance by Montgomery County Community Development or any of the member agencies of the Housing Rehabilitation Collaborative is not eligible for additional assistance. Any Homeowner who has previously received any assistance for housing rehabilitation, from any source, must report that assistance to Montgomery County Housing Rehabilitation. Homeowners receiving previous assistance from other sources will only be approved for assistance on a limited basis and at the Collaborative's discretion. Failure to report previous assistance of any type is considered fraud, and is immediate grounds for denial of a rehabilitation application. Further, Montgomery County, The U.S. Dept. of Housing, or other authorities may seek prosecution of the fraud to the fullest extent permitted by law.
- 13. Previous Applicants.** Any Homeowner who has submitted an application to Montgomery County Housing Rehabilitation Collaborative, and the application/file has been closed/denied by MCHRC, is not eligible to reapply for assistance for one full year, regardless of the reason for the closure of the application/file. If the application remains incomplete after 6 months, the Case Manager will send the Homeowner a notification letter and the file will be closed.
- 14. Work to be Performed.** All work to be carried out under The Montgomery County Housing Rehabilitation Collaborative Program will be performed as set out in the contracts and the attached exhibits. The Homeowner or other parties cannot substitute, change, or alter the work to be performed without written consent from Project Supervisor or designated Responsible Partner of the Collaborative. Any negotiating or changing of the approved work is grounds for immediate termination of the contracts and the project. Approved work will consist of rehabilitation only necessary to accomplish a safe, sanitary, and decent home environment. Montgomery County Housing Rehabilitation Collaborative
- 15. Built after January 01, 1978.** In accordance with Federal Regulation, with regard to lead-based paint, all homes built after January, 01 1978 are presumed to have lead paint and will need to be checked for lead paint hazards.
- 16. Flood Areas.** Any property located in the Special Flood Hazards Area may not be eligible for rehabilitation from Montgomery County Housing Rehabilitation. Section 102 (a) of the Flood Disaster Protection Act requires the purchase of flood insurance in connection with any form of financial assistance for repair or improvement of any publicly or privately owned building located within the special flood hazard area for the life of the building/structure. If the Homeowner lives in a flood plain not designated as a Special Flood Hazard Area, or if the residence received flood damage in 1994, or 2001, Montgomery County Housing Rehabilitation Collaborative reserves the right to require flood insurance. If the Homeowner does not have the appropriate insurance and cannot obtain insurance, Montgomery County Housing Rehabilitation Collaborative may approve rehabilitation only in a limited capacity, if at all.

B. ELIGIBILITY OF EXISTING HOMEOWNER/APPLICANT.

- 1. Homeowner Application.** The Homeowner must complete the required Rehabilitation Program Application, the required Data Form, Home Occupant Statistical Information Form(s), and provide all of the Rehabilitation Program required documentation. Any Homeowner who has submitted an application to the Montgomery County Housing Rehabilitation Collaborative and the application/file has been closed is not eligible to reapply for assistance until the next funding year, regardless of the reason for the closure of the application/file.
- 2. Owner / Occupancy.** The owner-occupant of a single-family dwelling must meet the definition of an Existing Homeowner. Existing Homeowner for the purposes of these guidelines means: A Homeowner whose name appears on the deed filed of record to the property and the home, and is occupying the residence. Multi-party deeds are not acceptable unless it is a spousal relationship and the spouse is occupying the residence and has agreed to participate in this program, including the signing of all documents. The title of the property must be in the occupying Homeowner/Applicant's name. Only title holders who live on the property, and in the residence, for a period of not less than 3 years are eligible for assistance. The Applicant must occupy the residence, and be named solely as title holder to the property/mobile home on the deed to qualify for assistance. The property cannot be held by siblings or other parties not occupying the residence. The property must have been in the Homeowners name for a period of at least 3 years.
- 3. Proof of Ownership.** An Existing Homeowner shall verify that the property to be rehabilitated is their principal place of residence prior to the date of approval of assistance.
 - a.** Documentation must be obtained showing evidence of recorded ownership by virtue of Special Warranty Deed or General Warranty Deed. Such documentation must be verified by title certificate. Title Searches and Deeds are routinely referred to the County Attorney for review and verification.
 - b.** Mortgage companies and financial institutions must verify mortgages. Any costs associated with this verification must be paid by Applicant.
 - c.** Contracts for Sale or Deed are not acceptable as proof of ownership since they do not convey legal ownership of property.
- 4. Competency of Homeowner.** The Homeowner/Applicant must demonstrate to a degree which would be agreed upon by average citizens the mental competency and capacity to understand and sign contractual agreements that will essentially encumber the Homeowner's residence.
- 5. Low and Moderate Income.** The Existing Homeowner's household income must be at or below the U.S. Department of Housing and Urban Development income limits. The

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Homeowner must provide all documentation regarding financial information, whether business related or otherwise, as requested by Montgomery County Housing Rehabilitation Collaborative.

Median household income levels for Montgomery County are determined by HUD on an annual basis.

Household Income. Household income includes any income earned by any adult (18 or older), who is currently residing in the unit, unless residence in the unit is a result of physical disability, or the individual is a full-time student (12 hours or more).

- (1) **Sources of income** which are to be included in the determination of household income include:
 - (a) Income from Employment, Self Employment Income
 - (b) Social Security, SSI, Disability
 - (c) Retirement, Pension
 - (d) Child Support
 - (e) AFDC
 - (f) Interest Income (This includes interest on CD's, or savings.)
- (2) **Assets:** The Homeowner/Applicant shall not have liquid assets in excess of:
 - (a) for Homeowners/Applicants under 62 years of age:
\$10,000 for a one person household
\$15,000 for a two person household
\$20,000 for a three or more person household
 - (b) for Homeowners/Applicants over 62 years of age and/or any Applicant who is disabled or handicapped:
\$25,000 for a one person household
\$30,000 for a two or more person household

Assets include but are not limited to: checking accounts, savings accounts, Certificates of Deposit (CDs), additional property, vehicles, IRA accounts, 401k accounts, stocks, bonds, cash, jewelry, acreage, and the like.
- (3) Information and/or detailed documentation in support of income eligibility must be obtained and reviewed by Montgomery County Housing Rehabilitation Collaborative prior to application approval.

- (4) Household income will be verified at the time of eligibility. It is the responsibility of the Existing Homeowner to notify the Montgomery County Housing Rehabilitation Collaborative if household income changes. Failure to notify the Montgomery County Housing Rehabilitation Collaborative of changes in income status is considered fraud and may cause the Applicant to be permanently barred from seeking assistance from Montgomery County or the Housing Rehabilitation Collaborative. Further, Montgomery County, The U.S. Dept. of Housing, or other authorities may seek prosecution of the fraud to the fullest extent permitted by law.
- (5) Applicants who own stocks, bonds, Certificates of Deposit, and the like should be prepared to utilize (cash in) those in conjunction with the project.

6. Resident Safety. For the safety of the resident, volunteers and contractors, residents may be asked to voluntarily secure a place to stay and remain off of the property during the construction work. Residents may be required to voluntarily package and remove belongings from the residence to facilitate the construction work in a safe manner. Montgomery County Housing Rehabilitation Collaborative is not responsible for housing Homeowners, the removal of the Homeowner's personal property from the residence, or the cost of either. Neither Montgomery County Housing Rehabilitation Collaborative nor Montgomery County are liable for the belongings of the Homeowner, whether the belongings are in the residence or stored off site. In the case of minor repairs, some Homeowners may be allowed to reside in the residence during the repairs, however, this will only be allowed with prior approval from the Montgomery County Housing Rehabilitation. A storage pod may be used in certain circumstances to facilitate the storage of the applicant's personal property during the course of the project if there is ample room to locate one on the property.

7. Plan of Action. In the event that the project becomes a reconstruction project, Homeowners must complete and have on file with Montgomery County Community Development a *PLAN OF ACTION* with regard to where they will temporarily relocate and how the temporary relocation will be accomplished, including details of how the Homeowner will pack and store their belongings, before rehabilitation of the home will begin, Homeowners must follow their *Plan of Action*.

8. Minor Inconveniences. Minor inconveniences or damage to the Homeowner's property, such as flower beds, shrubs, culverts, and the like, should be anticipated during construction. Although contractors and volunteers will strive to limit damage to yards and personal property of the Homeowner, it is inevitable that some will occur. Neither Montgomery County nor The Montgomery County Housing Rehabilitation Collaborative is responsible for such damage. The homeowner is responsible for providing electricity during the construction phase of the project. Workers may use electric power tools, lights or other electrical devices while working on the property. The homeowner is responsible for the electric bill. Contractors will make every

reasonable effort to use as little electricity as possible including in many cases the use of generators.

9. **Stop Work Clause.** Circumstances could arise that make the completion of the project no longer feasible nor productive for Montgomery County Housing Rehabilitation, in which case the MCHRC may stop the project after the signing of paperwork, and before OR after the work has begun. The Homeowner must recognize that any removal of items, yard clean-up, or discarding of trash, debris, materials, or other items, in preparation and anticipation of the project, is at the Homeowner's expense and responsibility. Neither Montgomery County nor the Montgomery County Housing Rehabilitation Collaborative are responsible for and will not replace any items discarded, whether the project is completed or not.
10. **Promissory Note.** Homeowners must sign a promissory note and agree to follow its terms and conditions.
11. **Power of Attorney.** Homeowners must sign a special power of attorney granting the Director of Community Development authority to handle necessary affairs of the project including the endorsing of the Homeowner's name when necessary on documents.
12. **Annual Certification and Review.** Homeowners must agree to submit an annual *No Change in Circumstance Form* provided by Community Development. Annually, Homeowners accepted into the program may receive a form requesting information regarding the financial and qualification status of the homeowner and the occupants of the home. Homeowners are required to submit to the Community Development Department the completed form on or before the date requested. Homeowners may be required to complete the form for each year of the five years the homeowner is in the program. Failure of the Homeowner to submit the required form is grounds for requesting payment on the Promissory Note owed on the repairs and/or reconstruction.

C. LEGAL RESIDENCE OF COUNTY

To qualify to receive assistance, the Homeowner/Applicant must be a legal resident or qualified resident alien of the United States of America and of Montgomery County. Proof of legal residence must be provided at the time of the application.

D. FINAL FUNDING DECISIONS

Final funding decisions are at the discretion of the Montgomery County Housing Rehabilitation Collaborative. Community Development staff members do not have the authority to "promise" or "commit" to any project. Homeowners must understand that this is a voluntary program that they are requesting. There are no guarantees of funding or entitlement to these funds. Eligibility does not mean that a Homeowner is accepted into the program.

MCCD will hold an annual selection process for program applications during the month of October. Applications can be submitted in the MCCD office year round however only complete applications will be considered during the selection process each October. In order to be considered for the Housing Rehabilitation program, a complete application must be submitted no later than 4:00pm on September 30th or the nearest weekday preceding September 30th. Assistance completing the application may be arranged for anyone who is homebound, impaired, disabled or unable to come in to the office. Applicants not selected will be notified by mail and the applications will be held for consideration during the next selection process. Applicants will be required to update financial information at that time. Completed applications received through the September 30th deadline will be reviewed and ranked during October on the following criteria:

1. Extreme safety concerns.
2. Severity of damage. (Major vs. Minor)
3. Households with children under the age of 18.
4. Prior eligible applicants.

A score sheet is attached at addendum A.

Projects will be cost estimated and a funding line established based on the County's annual budget. Projects crossing or falling below the funding line are reconsidered in the following application period. Applications will be screened using an eligibility matrix and preliminary repair assessments and cost estimates will be done on each pre-qualified project. Pre-approved applications will be scored and ranked based on a previously determined scoring criterion. The order of assistance will be determined based on the final score given to each applicant while funds are still available. Project start dates may begin several months from time of the application.

Failure to comply with Housing Program Guidelines throughout the rehabilitation process is grounds for immediate termination of assistance. This program is voluntary.

E. USE OF VOLUNTEERS

The Montgomery County Housing Rehabilitation Collaborative frequently relies on trained volunteers to carry out the labor for the project. Every effort is made to screen volunteers before commencement of the project and to supervise volunteers on site. By participating in this program, the Homeowner acknowledges understanding that volunteers will be present on the property. The Montgomery County Housing Rehabilitation Collaborative and Montgomery County are not responsible for the actions of volunteers other than the direct work assigned to each individual volunteer or group. Homeowners must understand these are unpaid volunteers, not contractors, and must treat them accordingly.

Any questions regarding the guidelines and qualifications for the program should be directed to **Robert Langford, project supervisor for the Housing Rehabilitation Program**. You can reach him at 936-442-7756 between the hours of 8:00am - 12:00 pm. Please leave a message if he is not at his desk, he will answer your questions as soon as he is available to return your call.

F. FAIR HOUSING

Montgomery County will take measures to make the Housing Rehabilitation Collaborative Program accessible to persons who are considered members of a protected class under the Fair Housing Act, hold informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), provide sign language assistance when requested, and provide special assistance for those who are visually impaired when requested.

Montgomery County does not discriminate against anyone based on race, color, religion, sex, disability, familial status, or national origin.

G. DISPUTE RESOLUTION

Applicants can file complaints or grievances to Montgomery County on any issue or concern that may arise during their application review period and/or during the time that work is being done on their home. Appeals may be submitted in writing with photos to support claims to: Appeals Committee 501 N. Thompson Suite 200 Conroe, TX 77301. The appeals committee consists of appointees from each precinct plus at-large appointees. The committee will review the file and respond within two weeks of receipt of the written appeal.



MONTGOMERY COUNTY HOUSING REHABILITATION COLLABORATIVE

I have read The Montgomery County Housing Rehabilitation Collaborative Program Guidelines and Policies. I understand the Guidelines and Policies and agree to comply with them. I have made every effort that I can to repair my home. I have exhausted all resources available to me. I sincerely request to be considered for this program. I understand this is a voluntary program. I will be a positive advocate for The Montgomery County Housing Rehabilitation Collaborative Program.

Signed on the _____ day of _____, _____.

Homeowner : _____

Homeowner : _____



11

Montgomery County Housing Rehabilitation Collaborative Program
Guidelines and Policies Receipt

My name is _____. I have read the attached
Montgomery County Housing Rehabilitation Collaborative Program Guidelines and Policies, or had
them read and explained to me by:

(Please print name, address, & phone number of person assisting the Applicant/Homeowner.)

I understand the attached Montgomery County Housing Rehabilitation Collaborative Program Guidelines
and Policies. I understand the funds relating to this program are Federal dollars that come to
Montgomery County through the Community Development Block Grant Program. I understand
requesting assistance may require an investigation into the answers and documentation provided by me
in association with this Program. I understand that providing false information to obtain assistance is
considered fraud, and is grounds for immediate termination or denial of funding. Further, Montgomery
County, The U.S. Department of Housing & Urban Development, or others, may seek prosecution to the
fullest extent permitted by law.

Signature of Applicant

Date

Signature of Co-Applicant (spouse, co-owner, guardian, interested party) Date

Please note: If the Applicant is married or has a partner, a spouse, or partner, whether considered
Common Law Marriage or otherwise, must sign the application.

Signature of Person Assisting Applicant (If Applicable)

Date

Joanne Ducharme, Ph.D.
Director, Montgomery County
Community Development



Is your property used for business purposes?

☐ Yes ☐ No

4. If yes, what kind of business?

What percentage of the time is the property used for business purposes? _____%

5. Do you have any pending legal proceedings such as divorce, lawsuits, foreclosures, bankruptcy, or other, or a seizure proceeding by local, state, or federal authorities?

☐ Yes ☐ No

If Yes, please explain in detail: _____

6. Have you ever received this type of assistance from any source?

☐ Yes ☐ No

If Yes, please give amount, date, and where the assistance came from:

7. Provide proof of ownership to home/property.

Proof of ownership:

Provide a copy of your recorded property deed/title of home. If you do not have your original deed, you can obtain a copy from the Montgomery County Property Records Department located in the Montgomery County Courthouse Annex at 210 West Davis in downtown Conroe, Texas, directly across the street from the main courthouse: (936) 788-8386.

Property being purchased under a Contract For Deed is not eligible for the Rehabilitation Program. Your property/home must be in YOUR name for a period of 3 years, to be eligible.

8. Are your property taxes current?

☐

Yes

☐

No

9. If no, are you on a payment plan? If yes, please provide documentation.

Provide a current property tax certificate. You can obtain a current tax certificate (minimum charge to property owner) from the Montgomery County Tax Office located at 400 North San Jacinto in Conroe, Texas - the old Montgomery County Library building: (936) 539-7897.

If you are behind in your taxes, please provide an explanation, and proof that you have a payment plan worked out with the tax office. _____

10. Property Field Data Card.

Provide a Property Field Data Card. You can obtain a current Property Field Data Card (free of charge to property owner) from the Montgomery County Appraisal District at 109 Gladstell in Conroe, Texas: (936) 758-3354. You can also access the Appraisal District online and print your Data Card. <http://www.mcad-tx.org/>

11. List names, ages, social security numbers, and the relationship of all members of your household that live in your home:

Full Name	Age	Social Security Number	Relationship

12. Provide copies of all social security cards for all persons (including children) who live in your home.

13. Provide your Yearly Gross Income: \$ _____

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Provide a copy of 3 current, consecutive, unaltered or marked on, bank statements from every banking institution with whom the Applicant has an account, of any type. Provide a copy of all financial documentation, necessary for a complete financial review.

Provide a current Social Security or Disability Benefit statement, income tax return, payroll check stub, for a complete financial review.

Total Gross Income includes all money coming into the home. This includes but is not limited to, wages earned by any adult, eighteen (18) years or older, who is currently residing in your home; unless the adult, eighteen (18) years or older, is residing in your home as the result of a physical disability, or is currently enrolled as a full time student in twelve (12) or more class hours each semester. Further, Total Gross Income includes income from Social Security, Child Support, AFDC, interest income, unemployment benefits and/or retirement pension.

14. Complete the attached Required Data Form.

15. Is your home currently insured?

☐

Yes

☐

No

If yes, provide a copy of insurance documents or policies.

16. Is your home or property in a flood plain?

☐

Yes

☐

No

Provide a Floodplain Certificate. You can obtain a Floodplain Certificate (minimum charge to property owner) from the Montgomery County Permit Office located in the Alan B. Sadler building located at 501 N Thompson in downtown Conroe, Texas - directly across the street from the Conroe Tower: (936) 539-7836. Cost \$5.00

17. Does water stand on your property?

☐

Yes

☐

No

18. Do you live in a City?

☐

Yes

☐

No

If Yes, give the name of the city. _____

19. Do you live in a Subdivision?

☐

Yes

☐

No

If Yes, give the name of the Subdivision. _____

20. Provide a current copy of your subdivision deed restrictions.

21. Are you current on your Home Owner's Association Dues and Maintenance Fees? ☐ Yes ☐ No

If No, explain how much you are behind and any pending legal action. _____

22. If you are selected to receive assistance from the Montgomery County Housing Rehabilitation Collaborative, you will be required to get written approval from your Homeowner's Association for all work to be performed.

23. In which type of home do you reside?

☐ Mobile Home

☐ Single Family Home

☐ Camper / Trailer

☐ Other _____

24. What year was your home built? _____

Homes built after January 01, 1978 are assumed to contain Lead Based Paint and may require additional testing to determine the amount of Rehabilitation work to be done.

25. How long have you lived in the home? _____

26. Does your property have a pipeline, or utility easement running through it? ☐ Yes ☐ No

27. What repairs are you requesting Montgomery County Housing Rehabilitation Collaborative to make to your home? Including septic or well issues that may need repairs.

28. Do you have a physical disability that will require us to make special accommodations to your home? ☐ Yes ☐ No

29. Do you have extreme safety concerns with your current living conditions at your home? If yes please list the conditions. ☐ Yes ☐ No?

30. Is there more than one (1) residence on your property? ☐ Yes ☐ No

If yes, how many residences are on your property? _____

31. How much land do you own? (please give the number of acres or lots)

_____ acres or _____ lots

Warning: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

Qualifying for assistance does not guarantee funds to assist your needs. You must qualify and be selected to be eligible for the program. Funds are limited. This program is voluntary.

My name is _____. I have completed the above questions or had them completed for me by:

(Please print name, address, & phone number of person completing questions if not Applicant).

I understood the questions and gave truthful and honest answers, which are reflected in writing on these pages. I have provided accurate documentation as requested in this application. I understand these answers and the documentation are being used for consideration to participate in the Montgomery County Housing Rehabilitation Collaborative Program. I understand some or all of these funds may be Federal dollars that come to Montgomery County through the Community Development Block Grant Program. I understand requesting assistance may require an investigation into the answers and documentation provided by me in association with this Program and application. I understand that providing false information to obtain assistance is considered fraud, and is grounds for immediate termination or denial of funding. Further, Montgomery County, The U.S. Department of Housing & Urban Development or others, may seek prosecution to the fullest extent permitted by law.

Signature of Applicant

Date

Signature of Co-Applicant (spouse, co-owner, guardian, interested party)

Date

Please note: If the Applicant is married, or has a partner, a spouse or partner, whether considered Common Law Marriage, or otherwise, must sign the application.

Signature of Person Assisting Applicant (If Applicable)

Date

Provide a copy of the Applicant(s) current driver's license. If no driver's license is issued to the Applicant(s), another form of photo identification must be provided.



Priority scoring sheet for Rehabilitation Program



Client _____

Date _____

File # _____

Category	Points	Totals
Income level _____ % Low 10 points Very Low 20 points Extremely Low 30 points		_____
Children under 18 in household _____ () _25_points per child		_____
Additional Adults in the home _____ _10_points/ea.		_____
Previous Applicant (5 points per month since application) _____ _5_point/mo.		_____
Homeowner has Insurance _____ _40_points		_____
House not in Floodplain _____ _150_points		_____
Severe Safety concerns _____ _150_points		_____
Septic System needed <u>ONLY</u> _____ _200_points		_____
Water well needed <u>ONLY</u> _____ _200_points		_____
Relocation Not Needed _____ _25_points		_____
_____ % of house uninhabitable _____ points		_____

Total points _____

APPENDIX C:

HOUSING RECONSTRUCTION GUIDELINES

**MONTGOMERY COUNTY COMMUNITY DEVELOPMENT
OPTIONAL HOUSING RECONSTRUCTION PROGRAM
PLAN, GUIDELINES, AND POLICIES**

I. PURPOSE

- A. The County of Montgomery, Texas, acting by and through the Community Development Department funded by Community Development Block Grant funds and other local, state, or federal funds, will provide certain funds and assistance necessary to accomplish the voluntary reconstruction of eligible Homeowners from dilapidated structures into adequate, decent, safe, and sanitary dwellings. In addition, the County will also promote the elimination of slum and blight which exists in the County.
- B. Reconstruction assistance will be carried out under the County's Community Development Department as an eligible expense from Community Development Block Grant project funds. Assistance shall be subject to the eligibility and selection of the Homeowner, availability of grant funds, the discretion of the Community Development Director, and U.S. Department of Housing and Urban Development (HUD) implementing regulations. Administrative procedures will be modified to meet any change in rules and regulations of HUD which may occur over time.

II. DESIGNATED AUTHORITY

- A. Administrative authority for implementation of the program will rest with the Office of Community Development. The office will serve as the approving office for all Homeowners accepted into Montgomery County's Optional Reconstruction Program. The office will also serve as the approving authority for documents related to the Optional Reconstruction Program, including, but not limited to, Rehousing Agreements and for contractual and budget changes as needed for project completion.
- B. The Community Development Director will have the responsibility for final determination of the applicants who will be selected for reconstruction and for the amount of reconstruction assistance to be made available to individual applicants in accordance with the implementing procedures. This determination will be based upon evaluations of the costs to be incurred by alternative housing options and upon needs of individual applicants with respect to water, waste system, electrical needs, other basic necessities, and other expenses required in order to facilitate the rehousing of the occupant.
- C. The Community Development Director will be responsible for approval of applicant eligibility for the program and final approval and the selection of applicants to be assisted. This will be based upon relative need of applicants on the County's list of houses, which have been determined not to be feasible for rehabilitation under the County's Community Development Housing Rehabilitation Program. Applicants must first qualify and be eligible under the Montgomery County Community Development Rehabilitation Program. All required documentation must be submitted and approved. Additionally, the Director will only approve applicants who can reasonably demonstrate their ability to accomplish a successful reconstruction. The Optional Reconstruction Program is also subject to the availability of funds. The eligibility of an applicant for the program does not guarantee the applicant will be selected for the program. Eligibility for the purposes of this program, means the applicant is eligible to be considered for the program.

III. IMPLEMENTATION PROCESS

Steps in implementing the program will be as follows:

- A. Community Development Office maintains a list of applicants for the housing rehabilitation program assistance where a determination has been made that the structure is not feasible to rehabilitate to minimum standards under the County's Community Development Housing Rehabilitation Program. Eligibility requirements for the Montgomery County Community

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Development Rehabilitation Program must be met for applicants to be placed on the Optional Reconstruction Program list.

- B. The Homeowner is notified that the rehabilitation of the structure has been determined to be infeasible.
- C. Staff evaluates applicants for reconstruction assistance and prioritizes the processing of applications based upon relative need due to conditions of the dwelling unit and occupant characteristics as specified in Section VI. Staff processes applications as possible under funding and staff limitations. Completed and eligible Rehabilitation Program Applications are scored and ranked annually each October based on a pre-determined scoring system. The application with the highest number of points is considered first priority with subsequent applications falling in line thereafter and so on until the allocated budget is reached for that year.
- D. The Homeowner is informed of available housing options, including relocation assistance.
- E. The Homeowner submits a Replacement Housing Assistance Request, acknowledging receipt of information explaining the County's program, and requesting reconstruction assistance to enable the Homeowner to obtain suitable and adequate housing.
- F. Community Development staff determine whether or not approval of the Homeowner's Replacement Housing Assistance Request reasonably may be expected to result in the successful and feasible rehousing of the Homeowner. In cases in which the Homeowner's general health or income level would preclude his or her adequate and responsible operation of a replacement dwelling; and/or cases in which the costs of the replacement dwelling would be substantially above the costs of typical cases; and/or cases in which the working relationship between the Homeowner and the Community Development staff has deteriorated and makes the project not feasible nor productive; and/or cases where the Homeowner cannot demonstrate reasonably the ability to maintain the home in the future, and to the extent that the probability of the County reaching its CDBG program goals would be endangered due to cost overruns, the Homeowner's request may be denied. The Homeowner will be notified in writing of the determination and, if the request is not approved the reasons for denial. A Notice of Approval or Denial will be sent informing the Homeowner that Community Development has approved or denied the Homeowner's request. The approval of the applicant to participate in the Optional Reconstruction does not guarantee the Homeowner will receive funding. If the Homeowner is approved, a Rehousing Agreement will then be provided to the Homeowner. Prior to any agreement being executed between the Homeowner and the County, the Community Development office will comply with the public disclosure and notification/authorization to and from HUD requirements according to 24 CFR Part 70, Section 104 (d), Reconstruction and One-for-One Replacement Housing Requirements. During every phase of the project, Community Development will continue to evaluate the Homeowner's circumstances and their file. At any time, the project could be stopped if circumstances arise that no longer make the project feasible nor productive for the Homeowner and Community Development.
- G. A Rehousing Agreement is executed between the Homeowner and the County, under the terms of which the Homeowner agrees to move voluntarily and permanently from the dwelling on or before a specified date. The Homeowner agrees to move voluntarily from the property on or before a specified date. The Homeowner is responsible for the reconstruction and removal of belongings, at the Homeowner's expense. The County agrees to provide the Homeowner with a specified amount of replacement housing assistance to be used for the sole purpose of obtaining a suitable decent, safe, and sanitary replacement dwelling.
- H. Community Development staff will provide counseling and assistance as needed to approved Homeowners in order to facilitate the Homeowner's rehousing using the County's procurement and financial system.
- I. The Homeowner and the Community Development office agree to the arrangement and method of the approved assistance to the Homeowner using the County's procurement and financial system.

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- J. After the Homeowner and the Community Development office have agreed to the arrangement and method for approved assistance, the Homeowner will execute a Promissory Note and corresponding documents to facilitate the approved assistance.
- K. At an agreed upon date and time, the Homeowner voluntarily removes all personal belongings and voluntarily vacates the substandard dwelling permanently. The Homeowner voluntarily moves off of the property and remains off the property until the Homeowner receives permission from Community Development staff to move into the new dwelling.
- L. The substandard dwelling is totally and completely demolished. The dwelling debris and any other left behind trash, debris, old cars, garbage, old equipment, materials and the like is compacted and hauled from the house location. The lot is cleared and prepared for the new dwelling.
- M. The replacement dwelling is constructed or purchased, and completed or set-up on the location. Other necessary contracts are completed. The new dwelling is appropriately inspected by the County to determine adequacy and compliance with Community Development Guidelines and Policies.
- N. The County certifies that the replacement dwelling is decent, safe, and sanitary and ready for occupancy, based on Community Development Guidelines and Policies and will approve the Homeowner's move-in date.
- O. Homeowner accepts replacement home and signs a certificate of completion and acceptance.
- P. The Homeowner moves all personal belongings to the new structure and the Homeowner occupies the home.
- Q. All approved payments will be made through the County's financial system and made payable to the vendor.

IV. ELIGIBILITY REQUIREMENTS

Eligibility for reconstruction assistance shall be established as follows:

- A. Applicant must have applied for rehabilitation assistance under the County's Community Development Housing Rehabilitation Program.
- B. Applicant must have completed the application process and qualified for and been selected for the County's Community Development Housing Rehabilitation Program. All of the applicable Community Development Housing Rehabilitation Program Guidelines and Policies are incorporated into and apply to The Optional Reconstruction Program, whether specifically stated in these Guidelines and Policies or not. The Applicant/Homeowner must understand, agree to, and abide by The Montgomery County Community Development Housing Rehabilitation Program Guidelines and Policies and The Montgomery County Community Development Optional Housing Reconstruction Program Plan, Policies, and Guidelines.
- C. Applicant must have been rejected for rehabilitation assistance solely because the applicant's occupied dwelling was not feasible to rehabilitate.
- D. Applicant must be an owner occupant of the dwelling for which rehabilitation/reconstruction assistance is requested and reside within the County of Montgomery and not within the city limits of any incorporated city. The dwelling must be the applicant's principal residence for a minimum of three (3) years prior to the submission of a completed application for assistance.
- E. Applicant must present proof of ownership by General or Special Warranty Deed. Community Development staff will verify proof of ownership with title searches and a review by the County Attorney's Office. The applicant must have clear title to the residence and property. The deed and title, if applicable, must be in the applicant's name. The deed and title, if applicable, must bear the names of only property owners who are occupying the property. The deed and title, if applicable, cannot be held by siblings or two parties other than applicants who live on the property. The property must have only one residence or dwelling. Property with lien

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encumbrances may qualify after a review, but also may be rejected, at the discretion of the Director.

- F. Applicants must qualify under the low-income guidelines as set out by the U.S. Department of Housing and Urban Development. Only low-income applicants will be considered for the Optional Reconstruction Program.
- G. Applicants must establish that all property taxes are paid on the property to be vacated (and/or the proposed construction site). No assistance will be provided on properties with taxes in arrears unless the owner commits to a payment plan acceptable to the taxing authority and to the County. The property must be current on all Home Association Dues.
- H. Applicants shall provide complete and accurate information regarding their household composition, household income, and housing situation. Failure to disclose information which may affect eligibility requirements shall also constitute fraud. Applicants shall be required to make full restitution to the County in the event Community Development Block Grant assistance is provided to applicants who provided inaccurate or incomplete information in order to meet eligibility requirements. Requests for further assistance will be denied.
- I. Applicants agree to maintain the dwelling and exterior grounds in accordance with applicable Community Development Guidelines and Policies.
- J. Applicants will be encouraged, based on individual needs, to attend Montgomery County Housing Authority sponsored Homeowner education classes, with emphasis being placed on maintenance, budgeting, and the responsibilities of Homeownership.

V. FEASIBILITY OF REHABILITATION

- A. Feasibility of rehabilitation of property to minimum program standards will be made following a detailed inspection of the property by Community Development program staff. This inspection includes completing an inspection write-up of deficiencies, which must be corrected in order to bring the structure into compliance with HUD and Community Development Guidelines and Policies and any state and local codes.
- B. Feasibility of rehabilitating structures under established program limits will be determined by an assessment of the following two criteria:
 - 1. The estimate of costs needed to bring the home into a decent, safe, and sanitary standard must fall below program limits and be reasonable with respect to the value of the residence.
 - 2. Where all deficiencies are to be corrected, rehabilitation costs shall not exceed 75% of the total estimated replacement cost of the structure after rehabilitation.

Units not meeting these standards will be determined infeasible for rehabilitation assistance and, therefore, may be eligible for reconstruction assistance.

VI. SELECTION OF RECIPIENTS FOR ASSISTANCE

- A. Initial recipients of this program will be taken from the list of Homeowners residing in structures determined to be infeasible to rehabilitate. Additional recipients will be added during subsequent operation of the County's Community Development Housing Rehabilitation Program. In general, applicants are assisted based on the score their application is given when ranked in October. Priority may be given to unassisted previous applicants, a dwelling with major health/safety concerns, physically disabled applicants, and applicants with children under 18 years old.
- B. The number of recipients to receive assistance will be subject to availability of funds.
- C. Community Development staff will evaluate applications from the list of structures determined to be infeasible to rehabilitate.

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D. Below is a listing of some criteria to be used to rank applications:

1. Degree of threat to health and safety of occupants presented by continuance of residing in the structure. This will include evaluation of factors such as availability of basic services, including water, sewer, electricity, and structural deficiencies of the unit.
2. Date of application.
3. Applicants with children under the age of 18.
4. Physically Disabled citizens.

VII. FORMS OF ASSISTANCE AND ALLOWABLE EXPENSES

- A. The primary form of assistance to be provided will be the use of Community Development Block Grant funds to pay for the cost of the replacement dwelling. The allowable budget authority will typically not exceed the amount necessary to provide a decent, safe, and sanitary dwelling within reasonable limits, for the total project cost (including cost of demolition, site preparation, and cost of replacement dwelling). The allowable budget authority will depend on the number of family members in the household in accordance with the necessary size of the new dwelling to be purchased. The budget will only include a dwelling of the appropriate size under reasonable standards as approved by HUD guidelines, as to the number of bedrooms and square footage of the new dwelling. For a single person, or a family of two, the new dwelling will be no more than a two bedroom home with a square footage not to exceed 855 total square feet. For a family of three, or four, the new dwelling will be no more than a three bedroom home. For a family of five, or more, the new dwelling will be no more than a four bedroom home. In no instance will the size of the new dwelling be greater than a four (4) bedroom home with a square footage not to exceed 1,350 square foot total. The size of the old dwelling shall have no bearing on the size of the new dwelling. Recipients must agree to voluntarily accept the size constraints of the new dwelling, as set out by these Guidelines and approved by the Director.

Community Development does not purchase used or refurbished mobile homes. Community Development does not provide funds to purchase doublewide mobile homes. In rare circumstances an exception may be granted by the Director, due to lot size restraints and the approved size of the home as referenced above. Under these rare circumstances, the Homeowner must provide sufficient documentation to the Director for consideration of the exception. Community Development will provide the Homeowner with approved housing options that are consistent with the Community Development Guidelines and Policy. Where waste disposal and/or water must be addressed, the reconstruction budget may increase, at the discretion of the Community Development Director. Where documentation and/or circumstances prove reasonable, the Director of Montgomery County Community Development has the discretion to approve additional funds. The amount approved on each project is based on the approved work to be completed. No applicant is guaranteed funding in any amount. The amount of assistance is determined solely at the discretion of the Director of Community Development and will be an amount deemed reasonable by Community Development for the particular applicant.

- B. A lien and a deferred, forgivable loan commensurate with the purchase or construction cost (not including temporary reconstruction and demolition costs) amortized for a 5-year period may be placed on all replacement dwellings for a period of five years. The loan will be forgiven at a 1/60th rate monthly over the period of five years beginning on the date the Deed of Trust and Promissory Note are signed by the homeowner(s). If the house is sold or transferred before the lien period expires, the amount of credit is subtracted from the total loan amount, which is then owed and due to the Community Development Block Grant Program and received and used thereof as program income. Where possible, and when a lien is filed, Montgomery County will be the first lien holder on all replacement housing.

The lien or promissory note may not be forgiven unless the following conditions are met:

1. The Homeowner must reside in the unit for a period not less than five (5) years; and
2. The property must be maintained to meet Community Development Guidelines and Policies and requirements and state and local laws; and
3. The Homeowner completes an annual form (provided by Community Development) requesting to continue in the program and verifying continued eligibility for the program; and
4. In the event of a sale or transfer of ownership during the five (5) year period, the following conditions will apply:
 - A. Sell or offer the assumption of the loan to a low/moderate income family approved by the CDBG office; or
 - B. Make the unit available for lease to a low/moderate income family by making the unit affordably priced and maintaining the unit to meet applicable state and local codes.

NOTE: If within this five (5) year period the Homeowner defaults, the loan will be called due in full and foreclosure proceedings may be initiated. The County will make every effort to work with the Homeowner to avoid foreclosure and will examine each situation on a case by case basis.

C. Allowable expenses will include:

1. Replacement Housing Payment to family to be used for one of the following rehousing options:
 - A. An adequate, decent, safe, and sanitary REPLACEMENT DWELLING CONSTRUCTED OR PURCHASED AND COMPLETED OR SETUP on the ORIGINAL SITE (LOT) of the dwelling vacated by the Homeowner.
 - B. An adequate, decent, safe, and sanitary REPLACEMENT DWELLING CONSTRUCTED OR PURCHASED AND COMPLETED OR SETUP on an ALTERNATE SITE in Montgomery County provided by the Homeowner.
 - C. An adequate, decent, safe, and sanitary REPLACEMENT DWELLING CONSTRUCTED OR PURCHASED AND COMPLETED OR SETUP on a SITE PROVIDED by Montgomery County with the agreement that the Homeowner will trade lots with the County, if available.
2. Cost of total demolition and clearance of the dilapidated structure, lot clearance, and preparation of job site for new replacement dwelling.
3. Cost of utility and appliance transfers and hookups as necessary.
4. Closing and settlement costs related to purchase of replacement dwelling.
5. Other expenses determined necessary to facilitate the reconstruction of the Homeowner.

D. Community Development staff will also provide assistance and counseling to applicants as needed, including the following:

1. Information on the program and rehousing options available.
2. Assistance in soliciting bids for replacement housing.

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3. Assistance in contractual compliance between Homeowner and contractor.
4. Assistance in inspection of the construction or purchase and completion or setup of the replacement dwelling, if applicable.

VIII. REHOUSING AGREEMENT

- A. Each applicant assisted through the program will sign a Rehousing Agreement with the County which outlines the responsibilities of each party. The agreement establishes a commitment by the Homeowner to permanently vacate the present structure. The agreement establishes an agreement by the Homeowner for demolition of the present dilapidated structure, an agreement by the Homeowner to occupy the replacement structure when the structure is completed and ready to be inhabited, and an agreement by the Homeowner that temporary housing will terminate when the structure is ready for occupancy as determined by the Community Development staff.

IX. FINAL INSPECTION -APPROVAL OF OCCUPANCY

Montgomery County will be responsible for final inspection of all housing units made available through the program to determine that the replacement unit meets all HUD and Community Development standards and requirements. Final payment will not be made until Community Development has inspected and approved the replacement unit. Any item identified in a "punch list" must be corrected before final payment will be made. The Community Development's Rehabilitation Program Project Supervisor's Acceptance of Completed Work will serve as evidence to HUD of the County's determination that the dilapidated structure has been replaced by a decent, safe, and sanitary dwelling and that the family has been successfully relocated.

X. FINAL FUNDING DECISIONS

Final funding decisions are at the discretion of the Montgomery County Community Development Director.

Failure to comply with all Community Development Rehabilitation and Optional Reconstruction Program Guidelines and Policies throughout the rehabilitation process is grounds for immediate termination of assistance. Assistance may be terminated at any time during the process whether or not the work has begun, or paperwork has been signed, if it is deemed by Community Development that the project will not produce a positive and successful outcome.

XI. PREVIOUS APPLICATION OR ASSISTANCE

Previous unassisted applicants who have requested to remain active on the Rehabilitation Housing Program list will be given slight priority over new applicants. Program eligibility is determined annually for all previous applicants. Homeowners who have previously received assistance from the Montgomery County Community Development Housing Rehabilitation Program, or Montgomery County Community Development Optional Housing Reconstruction Program are not eligible for additional assistance. A Homeowner who has submitted an application to Montgomery County Community Development and the application/file has been closed, by Montgomery County Community Development, regardless of the reason for the closure of the application/file, is not eligible to reapply for assistance for a period of 1 year from the date of the closure of the application/file.

MONTGOMERY COUNTY COMMUNITY DEVELOPMENT OPTIONAL RELOCATION PROGRAM

I have read The Montgomery County Community Development Optional Reconstruction Program Guidelines and Policies. I understand the Guidelines and Policies and agree to comply with these Guidelines and Policies. I have made every effort that I can to save my home. I have exhausted all resources available to me. I sincerely request to be considered for this program. I will be a positive advocate for the Optional Reconstruction Program.

Homeowner: _____

Homeowner: _____

Signed on the _____ day of _____, 2015



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My name is _____ I have read the attached
Montgomery County Community Development Optional Reconstruction Program Plan, Guidelines and Policies,
or had them read and explained to me by:

(Please print name, address, & phone number of person assisting the Applicant/Homeowner.)

I understand the attached Montgomery County Community Development Optional Reconstruction Program Plan, Guidelines and Policies. I understand the funds relating to this program are Federal dollars that come to Montgomery County through the Community Development Block Grant Program. I understand requesting assistance may require an investigation into the answers and/or documentation provided by me in association with this Program. I understand that providing false information to obtain assistance is considered fraud, and is grounds for immediate termination or denial of funding. Further, Montgomery County, The U.S. Department of Housing & Urban Development, or others, may seek prosecution to the fullest extent permitted by law.

Signature of Applicant

Date

Signature of Co-Applicant (spouse, co-owner, guardian, interested party)

Date

Please note: If the applicant is married or has a partner, a spouse or partner, whether considered Common Law Marriage or otherwise, must sign the application.

Signature of Person Assisting Applicant (if applicable)

Date

Joanne Ducharme, Ph.D.
Director, Montgomery County Community Development

Note: Information and documents submitted pursuant to this application process are deemed to be public records and will be disclosed accordingly. However, while financial and credit information may be confidential, the County will process requests for this information pursuant to the provisions of the Open Records Act. Additionally, if there are documents or information that you feel should not be released because of trade secret issues, please provide written explanation and identify the document or information in question.

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APPENDIX D:

PUBLIC NOTICES, PUBLIC COMMENTS



**PUBLIC NOTICE:
MONTGOMERY COUNTY COMMUNITY
DEVELOPMENT DEPARTMENT**

**COMMUNITY DEVELOPMENT BLOCK GRANT
PUBLIC HEARINGS SCHEDULED FOR 2014 NEEDS ASSESSMENT,
SOCIAL SERVICES, CAPITAL PROJECTS, AND INTERESTED PARTIES**

The Montgomery County Community Development Department, pursuant to the Community Development Block Grant (CDBG) and U.S. Department of Housing & Urban Development guidelines, will be holding public hearings for needs assessment and social service presentations on Tuesday, April 29, 2014 and Wednesday, April 30, 2014 at 6:00 PM at The Montgomery County Lone Star Convention and Expo Center, located at 9055 Airport Road (FM 1484) Conroe, Texas 77302.

The Community Development Citizens Advisory Committee and the public will hear oral presentations from all potential grant Subrecipients who have timely submitted their grant proposals and are eligible grant applicants seeking to receive CDBG funds for the 2014 grant cycle. The 2014 grant cycle covers the time period October 01, 2014 through September 30, 2015. Interested parties not submitting proposals should call the MCCD Office (936) 538-8060 to schedule a time slot to appear on the agenda for one of the public hearings.

Applicants must appear at a public hearing and make a public presentation to receive MCCD grant funds. Grant applications are due in the MCCD Office before 4:00 PM on Monday, March 31, 2014. Only grant applicants are eligible to receive funding. At this time, the amount of CDBG funds that Montgomery County anticipates will be received directly by the U.S. Department of Housing and Urban Development (HUD) for program year 2014 has not been published but is estimated to be approximately \$2,118,292.00, of which no more than 15% may be allocated to Public Services. The anticipated amount is subject to Congressional funding of the program and will ultimately be consistent with the federal appropriation when approved by Congress.

The public is encouraged to attend the public hearing and/or submit written comments to Joanne Duchermo, Ph.D., Director of Community Development, 501 N. Thompson, Suite 200, Conroe, Texas 77301.

2014 Grant Proposal Packets are available online at www.mccx.org. (Community Development Department - Forms). Hard copies are also available at the Community Development Office, 501 N. Thompson, Suite 200, Conroe, TX. The Community Development Office will be closed on Friday, April 18, 2014 for Good Friday.

Persons wishing to view The Montgomery County Community Development Consolidated Five-Year Plan, Action Plans, or The Comprehensive Annual Performance and Evaluation Reports, may do so at any of the County libraries, or online at www.mccx.org, Community Development Department.

Persons with vision or hearing impairments or other individuals with disabilities requiring auxiliary aids and services, or individuals requiring an interpreter, should contact the Community Development Department at (936) 538-8060 regarding reasonable accommodations at least 24 hours before the meeting or to receive assistance with accessibility to this notice.



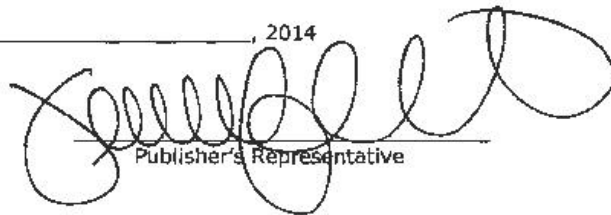
**HOUSTON
COMMUNITY
NEWSPAPERS**

AFFIDAVIT OF PUBLICATION

**STATE OF TEXAS
COUNTY OF MONTGOMERY**

Personally appeared before the undersigned, a Notary Public within and for said County and State, Jennifer Underferth, Representative for Jason Joseph, General Manager and Publisher of The Courier, a newspaper of general circulation in the County of Montgomery, State of Texas. Who being duly sworn, states under oath that the report of Legal Notices, a true copy of which is hereto annexed was published in said newspaper in its issue(s) of the

20th day of March, 2014
5th day of March, 2014
7th day of April, 2014
____ day of _____, 2014
____ day of _____, 2014
____ day of _____, 2014
____ day of _____, 2014
____ day of _____, 2014



Publisher's Representative

Sworn to and subscribed before me this 7 day of April, 2014

Susan M. C.

Notary Public

My commission expires on (stamp) 

cantidad de fondos que recibirá el Departamento de Desarrollo Comunitario del Condado de Montgomery a través del Departamento de Vivienda y Desarrollo Urbano de Estados Unidos (HUD) para el año 2014 será de aproximadamente \$ 2, 118,292.00, de los cuales únicamente el 15 % podrá destinarse a los servicios públicos. El importe anticipado está sujeto a la financiación del fondo congresional y en última instancia será coherente con la asignación federal cuando sea aprobado por el mismo.

Se invita al público a participar en la audiencia pública o presentar observaciones por escrito a la Dra. Joanne Ducharme, Directora del Departamento de Desarrollo Comunitario, 501 N. Thompson, Suite 200, Conroe, Texas 77301.

Los paquetes de Fondos de Subvención de 2014 están disponibles en línea en www.mctx.org. (Formularios del Departamento de Desarrollo Comunitario) Las copias impresas están disponibles en la Oficina del Departamento de Desarrollo Comunitario, 501 N. Thompson, Suite 200, Conroe, TX. Nuestra oficina estará cerrada el viernes 18 de abril 2014 por motivo de ser día festivo.

Las personas que deseen ver el plan consolidado de cinco años , planes de acción , el reporte anual completo o los informes de evaluación , pueden hacerlo en cualquiera de las Bibliotecas del Condado de Montgomery o por internet en : www.mctx.org . Departamento de Desarrollo Comunitario.

Las personas con impedimentos de visión o audición u otras personas con cualquier tipo de discapacidad o personas que requieren de un intérprete, deben comunicarse con las oficinas del Departamento de Desarrollo Comunitario al (936) 538-8060 con respecto a las adaptaciones razonables por lo menos 24 horas antes de la reunión o para recibir ayuda con la accesibilidad a este aviso.



AFFIDAVIT OF PUBLICATION

ALTERNATIVE LANGUAGE PUBLISHER'S AFFIDAVIT

STATE OF TEXAS

COUNTY OF Montgomery

BEFORE ME, the undersigned notary Public, on this day personally appeared,

Jorge Perez who being by me duly sworn,
(name of newspaper representative)

deposes and says that (s) he is the General Manager
(title of newspaper representative)

of the El Sol; that this newspaper generally
(name of newspaper)

circulated in Montgomery County, Texas, and is published primarily
(same county as proposed facility)

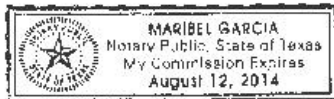
in Spanish; language; that the attached notice was published in said
(alternative language)

newspaper on the following date (s): 03/14/14

subscribed and sworn before me this the 17th day of March, 2014

by Jorge Perez
Newspaper Representative's Signature

Mangum
Notary Public in and for the State of Texas



My commission expires on Aug 12, 2014



**PUBLIC NOTICE:
MONTGOMERY COUNTY COMMUNITY
DEVELOPMENT DEPARTMENT**

**HOME INVESTMENT PARTNERSHIPS PROGRAM and
EMERGENCY SOLUTIONS GRANT FOR HOMELESSNESS
PUBLIC HEARING SCHEDULED FOR 2014 NEEDS ASSESSMENT,
HOUSING PROJECTS, HOMELESSNESS PROJECTS, CAPITAL PROJECTS
AND INTERESTED PARTIES**

The Montgomery County Community Development Department, pursuant to the HOME Investment Partnerships Program (HOME), Emergency Solutions Grant Program (ESG), and U.S. Department of Housing & Urban Development guidelines, will be holding a public hearing for needs assessment and housing and homelessness project presentations on Thursday, May 1, 2014 at 6:00 PM at The Montgomery County Lone Star Convention and Expo Center, located at 9055 Airport Road (FM 1484) Conroe, Texas 77303.

The Community Development Citizens Advisory Committee and the public will hear oral presentations from all potential grant Subrecipients who have timely submitted their grant proposals and are eligible grant applicants seeking to receive HOME or ESG funds for the 2014 grant cycle. The 2014 grant cycle covers the time period October 01, 2014 through September 30, 2015. Interested parties, wishing to speak and not submitting proposals should call the MCCD Office (936) 538-8060 to schedule a time slot to appear on the agenda for one of the public hearings.

Applicants must appear at a public hearing and make a public presentation to receive HOME or ESG grant funds. Grant applications are due in the Community Development Office located at 501 N. Thompson, Suite 200 Conroe, Texas 77301 before 4:00 PM on Monday, March 31, 2014. Only grant applicants are eligible to receive funding. The Community Development Office will be closed on Friday, April 18, 2014 for Good Friday.

The public is encouraged to attend the public hearings and/or submit written comments to Joanne Ducharme, Ph.D., Director of Community Development, 501 N. Thompson, Suite 200, Conroe, Texas 77301. Joanne.Ducharme@mctx.org

FUNDS AVAILABLE:

The Montgomery County Community Development Department, pursuant to The U.S. Department of Housing and Urban Development (HUD) guidelines, prepared and filed in August 2013, Montgomery County's current Community Development and Housing Consolidated Five-Year Plan. Montgomery County is a Participating Jurisdiction (PJ) in the HOME Investment Partnerships (HOME) Program.

At this time, Montgomery County is preparing the 2014 Community Development and Housing Consolidated Action Plan. The amount of HOME Investment Partnerships Program (HOME) funds that Montgomery County anticipates will be received directly from the U.S. Department of Housing and Urban Development (HUD) for program year 2014 (October 01, 2014 to September 30, 2015) has not been published, but is estimated to be approximately \$413,684.00. The amount of ESG funds that Montgomery County anticipates will be received directly from the U.S. Department of Housing and Urban Development (HUD) for program year 2014 (October 01, 2014 to September 30, 2015) has not been published, but is estimated to be approximately \$142,756.00. The anticipated amount is subject to Congressional funding of the program and will ultimately be consistent with the federal appropriation when approved by Congress.

The HOME Program was created under Title II (the Home Investment Partnerships Act) of the National Affordable Housing Act of 1990. In general, the purposes of the HOME Program are to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing, for very low-income and low-income families.

HOME funds may be used in many ways to address housing needs for low-income citizens. Some examples of HOME projects are: 1) Down Payment Assistance to First Time Home Buyers, 2) Housing Rehabilitation, 3) Tenant Based Rental Assistance, 4) Transitional Housing, 5) Housing For Those With Disabilities and Special Needs, 6) Housing Development, and 7) New Construction of Housing. The housing must be permanent or transitional, and must adhere to all Federal Fair Housing laws.

The Emergency Solutions Grant Program, formerly known as the Emergency Shelter Grant, has been coined by HUD to emphasize a shift in the priorities of this funding source, from assisting shelters with operations and case management, to rapidly transitioning homeless persons from shelter into more stable living environments.

Eligible ESG activities include the traditional shelter and outreach activities of the older ESG program, but also include more prevention and re-housing activities – short- or medium-term rental assistance, housing, relocation or stabilization services such as housing search, mediation, or outreach to property owners, legal services, credit repair, security, or utility payments, final month's rental assistance, and moving costs or other relocation or stabilization activities.

2014 Grant Proposal Packets are available online at www.mctx.org. Community Development Department Forms. Hard copies are also available at the Community Development Office, 501 N. Thompson, Suite 200, Conroe, TX.

Persons wishing to view The Montgomery County Community Development Consolidated Five-Year Plan, Action Plans, or The Comprehensive Annual Performance and Evaluation Reports, may do so at any of the County libraries, or online at www.mctx.org. Community Development Department.

Persons with vision or hearing impairments or other individuals with disabilities requiring auxiliary aids and services, or individuals requiring an interpreter, should contact the Community Development Department at (936) 538-8060 regarding reasonable accommodations at least 24 hours before the meeting or to receive assistance with accessibility to this notice.

Se invita al público en general a asistir a las audiencias públicas o presentar observaciones por escrito a la Dra. Joanne Ducharme , Directora del Departamento de Desarrollo Comunitario ubicado en 501 N. Thompson , Suite 200 , Conroe , Texas 77301 . La dirección de correo electrónico es: Joanne.Ducharme @ mctx.org

FONDOS DISPONIBLES:

El Departamento de Desarrollo Comunitario del Condado de Montgomery de acuerdo con el Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos , preparó y presentó un curso de desarrollo comunitario, plan de vivienda por 5 años para el Condado de Montgomery en agosto de 2013 .El Condado de Montgomery es una jurisdicción participante (PJ) en las Asociaciones de Inversión del programa VIVIENDA.

El Condado de Montgomery está preparando el plan de Vivienda y el Plan de Acción Consolidado para el 2014. La cantidad del programa VIVIENDA , los inversionistas y socios del mismo programa. Se anticipa que el Condado de Montgomery recibirá del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos para el año 2014 (1 octubre 2014 hasta 30 septiembre 2015) la cantidad estimada de \$ 413,684.00 . También se anticipa que la cantidad de fondos que recibirá el Condado de Montgomery del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos para el año 2014 (octubre 1, 2014 hasta septiembre 30, 2015) la cantidad estimada de \$ 142,760.00 . El importe anticipado está sujeto a la financiación del programa y en última instancia, deberá ser coherente con la asignación federal cuando sea aprobado por el Congreso.

El Programa VIVIENDA se creó en virtud del Título II (Ley de Asociaciones para Inversión) de la Ley Nacional de Vivienda Asequible de 1990 . En general , los efectos del Programa VIVIENDA en reforzar las alianzas público-privadas y para ampliar la oferta de vivienda digna , segura, económica para las familias de bajos recursos.

Los fondos del Programa VIVIENDA se pueden utilizar de muchas maneras: Para cubrir las necesidades de vivienda para los ciudadanos de bajos recursos. Algunos ejemplos de proyectos para la vivienda son: 1) Asistencia para el pago a los primeros compradores de casa 2) Rehabilitación de Viviendas 3) B Alquiler de la vivienda 4) Vivienda de Transición 5) Vivienda para personas con discapacidades y necesidades especiales 6) Desarrollo de la Vivienda y 7) Construcción de nuevas viviendas. La vivienda debe ser permanente o transitoria y debe cumplir con las regulaciones de la ley Federal de Equidad de Vivienda.

El programa de subvenciones conocido como Subsidios para Refugios de Emergencia, ha sido aprobado por el Departamento de la Vivienda para enfatizar un cambio en las prioridades de esta fuente de financiación, desde la asistencia a centros con las operaciones y la gestión de casos a la transición rápidamente de las personas sin hogar a refugios en donde puedan recibir la asistencia que necesiten.

Las actividades elegibles ESG incluyen las actividades de alojamiento y la difusión del programa ESG mayor, también incluyen más actividades realojamiento prevención y

servicios de ayuda de alquiler a corto o medio plazo , vivienda , reubicación o estabilización , como la búsqueda de vivienda , mediación con los dueños de propiedades , servicios legales, restauración de crédito , pagos de servicios públicos, ayuda para el alquiler del último mes , y gastos de mudanza u otras actividades de reubicación o de estabilización.

Los paquetes de los fondos de 2014 están disponibles por internet en www.mctx.org . Los formularios y las copias impresas están disponibles en las Oficinas del Departamento de Desarrollo Comunitario ubicado en 501 N. Thompson , Suite 200 , Conroe , TX.

Las personas que deseen ver el plan de Desarrollo Comunitario consolidado de cinco años del Condado de Montgomery, planes de acción , el rendimiento anual completo y los informes de evaluación pueden hacerlo en cualquiera de las Bibliotecas del Condado de Montgomery o por internet www.mctx.org . Departamento de Desarrollo Comunitario .

Las personas con impedimentos de visión o audición, personas con discapacidades que requieren ayuda y servicios auxiliares o personas que requieran de un intérprete, deben comunicarse con el Departamento de Desarrollo Comunitario al (936) 538-8060 en referencia a las adaptaciones razonables por lo menos 24 horas antes de la reunión o para recibir ayuda con la accesibilidad a este aviso.



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ALTERNATIVE LANGUAGE PUBLISHER'S AFFIDAVIT

STATE OF TEXAS

COUNTY OF Montgomery

BEFORE ME, the undersigned notary Public, on this day personally appeared,

JORGE PEREZ, who being by me duly sworn,
(name of newspaper representative)

deposes and says that (s) he is the General Manager
(title of newspaper representative)

of the EL SOL; that this newspaper generally
(name of newspaper)

circulated in Montgomery County, Texas, and is published primarily
(same county as proposed facility)

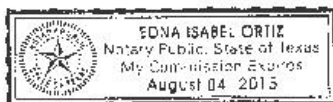
in Spanish; language; that the attached notice was published in said
(alternative language)

newspaper on the following date (s): 03/21/14

subscribed and sworn before me this the 21st day of March, 2014

by Jorge Perez
Newspaper Representative's Signature

Edna Isabel Ortiz
Notary Public in and for the State of Texas



My commission expires on August 4, 2015

**501 N. Thompson, Suite 200
Conroe, Texas 77301
936-538-8060
936-538-8061 (fax)**

To: Branch Managers
All County Libraries

From: Dr. Joanne Ducharme

Date: March 20, 2014

Re: Public Notices

In an attempt to reach as many of our citizens as possible, please post the attached notices where the public may easily view them. The notices may be removed after May 1, 2014.

If you have any questions, please feel free to give me a call.

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*****
*                                     P. 01 *
*               TRANSACTION REPORT               *
*                                     MAR-20-2014 THU 08:37 AM *
*   FOR:  Montgomery Cty-Comm Dev.   9365388061   *
*-----*
*   SEND *
*-----*
*   DATE  START  RECEIVER      TX TIME  PAGES TYPE      NOTE      M#  DP *
*-----*
*   MAR-20 08:32 AM 919367888398    5' 47"    11 FAX TX      OK      809 *
*-----*
*                                     TOTAL :      5M 47S PAGES: 11 *
*-----*
*****

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501 N. Thompson, Suite 200
 Conroe, Texas 77301
 936-538-8060
 936-538-8061 (fax)

To: Branch Managers
 All County Libraries

From: Dr. Joanne Ducharme

Date: March 20, 2014

Re: Public Notices

In an attempt to reach as many of our citizens as possible, please post the attached notices where

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*****
*                                     P. 01 *
*               TRANSACTION REPORT *
*                                     MAR-20-2014 THU 08:43 AM *
*   FOR:  Montgomery Cty-Comm Dev.   9365388061 *
*                                     *
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*   ----- *
*                                     TOTAL :      3M 40S  PAGES:  11 *
*                                     *
*****

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501 N. Thompson, Suite 200
 Conroe, Texas 77301
 936-538-8060
 936-538-8061 (fax)

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 All County Libraries

From: Dr. Joanne Ducharme

Date: March 20, 2014

Re: Public Notices

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*****
*                                                                 P. 01 *
*              TRANSACTION REPORT              *
*                                                                 *
*              MAR-20-2014 THU 09:03 AM        *
*                                                                 *
*      FOR:  Montgomery Cty-Comm Dev.      9365388061 *
*-----*
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*-----*
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*-----*
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*-----*
*
*                                TOTAL :      5M 57S  PAGES:  11 *
*
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 Conroe, Texas 77301
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 936-538-8061 (fax)

To: Branch Managers
 All County Libraries

 From: Dr. Joanne Ducharme

 Date: March 20, 2014

 Re: Public Notices

In an attempt to reach as many of our citizens as possible, please post the attached notices where


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*****
*                                                                 P. 01 *
*              TRANSACTION REPORT              *
*                                                                 *
*              MAR-20-2014 THU 09:16 AM        *
*                                                                 *
*      FOR:  Montgomery Cty-Comm Dev.      9365388061 *
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*-----*
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*-----*
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*-----*
*                                  TOTAL :      3M 44S  PAGES:  11 *
*-----*
*****

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501 N. Thompson, Suite 200
 Conroe, Texas 77301
 936-538-8060
 936-538-8061 (fax)

To: Branch Managers
 All County Libraries

 From: Dr. Joanne Ducharme

 Date: March 20, 2014

 Re: Public Notices

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*****
*                                     P. 01 *
*               TRANSACTION REPORT *
*                                     *
*                                     MAR-20-2014 THU 09:34 AM *
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*                                     *
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*                                     *
*****

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501 N. Thompson, Suite 200
 Conroe, Texas 77301
 936-538-8060
 936-538-8061 (fax)

To: Branch Managers
 All County Libraries

 From: Dr. Joanne Ducharme

 Date: March 20, 2014

 Re: Public Notices

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**PUBLIC NOTICE:
MONTGOMERY COUNTY COMMUNITY
DEVELOPMENT DEPARTMENT**

**COMMUNITY DEVELOPMENT BLOCK GRANT
PUBLIC HEARINGS SCHEDULED FOR 2014 NEEDS ASSESSMENT,
SOCIAL SERVICES, CAPITAL PROJECTS, AND INTERESTED PARTIES**

The Montgomery County Community Development Department, pursuant to the Community Development Block Grant (CDBG) and U.S. Department of Housing & Urban Development guidelines, will be holding public hearings for needs assessment and social service presentations on Tuesday, April 29, 2014 and Wednesday, April 30, 2014 at 6:00 PM at The Montgomery County Lone Star Convention and Expo Center, located at 9055 Airport Road (I/M 1484) Conroe, Texas 77303.

The Community Development Citizens Advisory Committee and the public will hear oral presentations from all potential grant Subrecipients who have timely submitted their grant proposals and are eligible grant applicants seeking to receive CDBG funds for the 2014 grant cycle. The 2014 grant cycle covers the time period October 01, 2014 through September 30, 2015. Interested parties not submitting proposals should call the MCCD Office (936) 538-8060 to schedule a time slot to appear on the agenda for one of the public hearings.

Applicants must appear at a public hearing and make a public presentation to receive MCCD grant funds. Grant applications are due in the MCCD Office before 4:00 PM on Monday, March 31, 2014. Only grant applicants are eligible to receive funding. At this time, the amount of CDBG funds that Montgomery County anticipates will be received directly by the U.S. Department of Housing and Urban Development (HUD) for program year 2014 has not been published but is estimated to be approximately \$2,118,292.00, of which no more than 15% may be allocated to Public Services. The anticipated amount is subject to Congressional funding of the program and will ultimately be consistent with the federal appropriation when approved by Congress.

The public is encouraged to attend the public hearing and/or submit written comments to Joanne Ducharme, Ph.D., Director of Community Development, 501 N. Thompson, Suite 200, Conroe, Texas 77301.

2014 Grant Proposal Packets are available online at [www.montgomerycountytexas.gov](#) (Community Development Department – Forms). Hard copies are also available at the Community Development Office, 501 N. Thompson, Suite 200, Conroe, TX. The Community Development Office will be closed on Friday, April 18, 2014 for Good Friday.

Persons wishing to view The Montgomery County Community Development Consolidated Five-Year Plan, Action Plans, or The Comprehensive Annual Performance and Evaluation Reports, may do so at any of the County libraries, or online at [Community Development Department](#).

Persons with vision or hearing impairments or other individuals with disabilities requiring auxiliary aids and services, or individuals requiring an interpreter, should contact the Community Development Department at (936) 538-8060 regarding reasonable accommodations at least 24 hours before the meeting or to receive assistance with accessibility to this notice.

**PUBLIC NOTICE:
MONTGOMERY COUNTY COMMUNITY
DEVELOPMENT DEPARTMENT**

**HOME INVESTMENT PARTNERSHIPS PROGRAM and
EMERGENCY SOLUTIONS GRANT FOR HOMELESSNESS
PUBLIC HEARING SCHEDULED FOR 2014 NEEDS ASSESSMENT,
HOUSING PROJECTS, HOMELESSNESS PROJECTS, CAPITAL PROJECTS
AND INTERESTED PARTIES**

The Montgomery County Community Development Department, pursuant to the HOME Investment Partnerships Program (HOME), Emergency Solutions Grant Program (ESG), and U.S. Department of Housing & Urban Development guidelines, will be holding A public hearing for needs assessment and housing and homelessness project presentations on Thursday, May 1, 2014 at 6:00 PM at The Montgomery County Lone Star Convention and Expo Center, located at 9055 Airport Road (FM 1484) Conroe, Texas 77303.

The Community Development Citizens Advisory Committee and the public will hear oral presentations from all potential grant Subrecipients who have timely submitted their grant proposals and are eligible grant applicants seeking to receive HOME or ESG funds for the 2014 grant cycle. The 2014 grant cycle covers the time period October 01, 2014 through September 30, 2015. Interested parties, wishing to speak and not submitting proposals should call the MCCD Office (936) 538-8060 to schedule a time slot to appear on the agenda for one of the public hearings.

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FUNDS AVAILABLE:

The Montgomery County Community Development Department, pursuant to The U. S. Department of Housing and Urban Development (HUD) guidelines, prepared and filed in

August 2013, Montgomery County's current Community Development and Housing Consolidated Five-Year Plan. Montgomery County is a Participating Jurisdiction (PJ) in the Home Investment Partnerships (HOME) Program.

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The HOME Program was created under Title II (the Home Investment Partnerships Act) of the National Affordable Housing Act of 1990. In general, the purposes of the HOME Program are to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing, for very low-income and low-income families.

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The Emergency Solutions Grant Program, formerly known as the Emergency Shelter Grant, has been coined by HUD to emphasize a shift in the priorities of this funding source, from assisting shelters with operations and case management, to rapidly transitioning homeless persons from shelter into more stable living environments.

Eligible ESG activities include the traditional shelter and outreach activities of the older ESG program, but also include more prevention and re-housing activities -- short- or medium-term rental assistance, housing, relocation or stabilization services such as housing search, mediation, or outreach to property owners, legal services, credit repair, security, or utility payments, final month's rental assistance, and moving costs or other relocation or stabilization activities.

2014 Grant Proposal Packets are available online at www.montgomerycountymd.gov/CD/CommunityDevelopment/Forms Community Development Department – Forms. Hard copies are also available at the Community Development Office, 501 N. Thompson, Suite 200, Conroe, TX.

Persons wishing to view The Montgomery County Community Development Consolidated Five-Year Plan, Action Plans, or The Comprehensive Annual Performance and Evaluation

Reports, may do so at any of the County libraries, or online at
Development Department.

Community

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AVISO PÚBLICO

DEPARTAMENTO DE DESARROLLO COMUNITARIO DEL CONDADO DE MONTGOMERY SUBVENCIÓN GLOBAL AUDIENCIAS PÚBLICAS PROGRAMADAS PARA 2014

Evaluación de necesidades, servicios sociales y proyectos de capital de las partes interesadas

El Departamento de Desarrollo Comunitario del Condado de Montgomery de conformidad con la Subvención Global (CDBG) y de acuerdo al reglamento del Departamento de Viviendas y Desarrollo Urbano de Estados Unidos, llevarán a cabo una serie de audiencias públicas para evaluar las necesidades y presentaciones de servicios sociales el martes 29 de abril 2014 y el miércoles 30 de abril de 2014 a las 6:00 PM en la Centro de Convención Lone Star del Condado de Montgomery ubicado en 9055 Airport Road (FM 1484) Conroe , Texas 77303.

El Comité Consultivo de Ciudadanos del Departamento de Desarrollo Comunitario del Condado de Montgomery y el público en general escucharán las presentaciones orales de los sub-receptores de subvenciones que hayan presentado oportunamente sus propuestas de subvención y los solicitantes elegibles deseen recibir fondos del CDBG para el ciclo de subvenciones de 2014. El ciclo de subvenciones 2014 abarca el período del 1 de octubre 2014 al 30 de septiembre de 2015. Las partes interesadas que no presenten propuestas deben contactarse con las Oficinas del Departamento de Desarrollo Comunitario al (936) 538-8080 para lograr obtener un espacio para aparecer en una de las audiencias públicas.

Los solicitantes deberán presentarse en una audiencia pública y hacer una presentación pública para recibir fondos de subvención del Departamento de Desarrollo Comunitario del Condado de Montgomery. Las solicitudes de subvención deben de presentarse en la Oficina del Departamento de Desarrollo Comunitario antes de las 4:00 P.M. Del lunes 31 de marzo de 2014. Únicamente los solicitantes son elegibles para recibir financiamiento. Consideramos anticipadamente que la

cantidad de fondos que recibirá el Departamento de Desarrollo Comunitario del Condado de Montgomery a través del Departamento de Vivienda y Desarrollo Urbano de Estados Unidos (HUD) para el año 2014 será de aproximadamente \$ 2, 118,292.00, de los cuales únicamente el 15 % podrá destinarse a los servicios públicos. El importe anticipado está sujeto a la financiación del fondo congresional y en última instancia será coherente con la asignación federal cuando sea aprobado por el mismo.

Se invita al público a participar en la audiencia pública o presentar observaciones por escrito a la Dra. Joanne Ducharme, Directora del Departamento de Desarrollo Comunitario, 501 N. Thompson, Suite 200, Conroe, Texas 77301.

Los paquetes de Fondos de Subvención de 2014 están disponibles en línea en www.mctx.org. (Formularios del Departamento de Desarrollo Comunitario) Las copias impresas están disponibles en la Oficina del Departamento de Desarrollo Comunitario, 501 N. Thompson, Suite 200, Conroe, TX. Nuestra oficina estará cerrada el viernes 18 de abril 2014 por motivo de ser día festivo.

Las personas que deseen ver el plan consolidado de cinco años , planes de acción , el reporte anual completo o los informes de evaluación , pueden hacerlo en cualquiera de las Bibliotecas del Condado de Montgomery o por internet en : www.mctx.org . Departamento de Desarrollo Comunitario.

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**NOTICIA PÚBLICA
DEPARTAMENTO DE DESARROLLO COMUNITARIO
CONDADO DE MONTGOMERY**

PROGRAMA DE INVERSIONES Y SOLUCIONES DE EMERGENCIA DE
SUBVENCIÓN PARA PERSONAS SIN HOGAR.
AUDIENCIA PÚBLICA PREVISTA PARA 2014 EVALUACIÓN DE LAS
NECESIDADES ,PROYECTOS DE VIVIENDA , PROYECTOS DE CAPITAL Y
PARTES INTERESADAS.

El Departamento de Desarrollo Comunitario del Condado de Montgomery de acuerdo con el Programa de Asociación para Inversiones en Vivienda (HOME) , Programa de Emergencia Soluciones Grant (ESG) , el Departamento de Vivienda de Estados Unidos y el Departamento de Desarrollo Urbano , llevarán a cabo una audiencia pública para la evaluación de las necesidades y de la vivienda y falta de vivienda el jueves 1 de mayo 2014 a las 6:00 pm en el Centro de Convenciones del Condado de Montgomery Lone Star y Expo Center , ubicado en 9055 Airport Road (FM 1484) Conroe , Texas 77303 .

El Comité Consultivo de Ciudadanos para el desarrollo comunitario y el público en general escucharán las presentaciones orales de todos los sub-receptores de subvenciones que hayan presentado oportunamente las propuestas de subvención y los solicitantes de subvenciones elegibles que desean recibir fondos de ambos programas para el ciclo de subvenciones de 2014. Del periodo del 1 de octubre de 2014 al 30 de septiembre de 2015. Los interesados que deseen presentar las propuestas deben llamar a la Oficina de Desarrollo Comunitario al teléfono (936) 538-8060 para programar una cita y aparecer en la agenda de una de las audiencias públicas.

Los solicitantes deberán presentarse en la audiencia pública y hacer una presentación para recibir fondos principales o subvención ESG . Las solicitudes de subvención deben de presentarse en las Oficinas del Departamento de Desarrollo Comunitario ubicado en el 501 N. Thompson , Suite 200 Conroe , Texas 77301 antes de las 4:00 P.M. del lunes 31 de marzo de 2014. Únicamente los solicitantes son elegibles para recibir financiación. La Oficina de Desarrollo Comunitario estará cerrada el viernes, 18 de abril de 2014 por ser día festivo.

Se invita al público en general a asistir a las audiencias públicas o presentar observaciones por escrito a la Dra. Joanne Ducharme , Directora del Departamento de Desarrollo Comunitario ubicado en 501 N. Thompson , Suite 200 , Conroe , Texas 77301 . La dirección de correo electrónico es: Joanne.Ducharme @ mctx.org

FONDOS DISPONIBLES:

El Departamento de Desarrollo Comunitario del Condado de Montgomery de acuerdo con el Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos , preparó y presentó un curso de desarrollo comunitario, plan de vivienda por 5 años para el Condado de Montgomery en agosto de 2013 .El Condado de Montgomery es una jurisdicción participante (PJ) en las Asociaciones de Inversión del programa VIVIENDA.

El Condado de Montgomery está preparando el plan de Vivienda y el Plan de Acción Consolidado para el 2014. La cantidad del programa VIVIENDA , los inversionistas y socios del mismo programa. Se anticipa que el Condado de Montgomery recibirá del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos para el año 2014 (1 octubre 2014 hasta 30 septiembre 2015) la cantidad estimada de \$ 413,684.00 . También se anticipa que la cantidad de fondos que recibirá el Condado de Montgomery del Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos para el año 2014 (octubre 1, 2014 hasta septiembre 30, 2015) la cantidad estimada de \$ 142,760.00 . El importe anticipado está sujeto a la financiación del programa y en última instancia, deberá ser coherente con la asignación federal cuando sea aprobado por el Congreso.

El Programa VIVIENDA se creó en virtud del Título II (Ley de Asociaciones para Inversión) de la Ley Nacional de Vivienda Asequible de 1990 . En general , los efectos del Programa VIVIENDA en reforzar las alianzas público-privadas y para ampliar la oferta de vivienda digna , segura, económica para las familias de bajos recursos.

Los fondos del Programa VIVIENDA se pueden utilizar de muchas maneras: Para cubrir las necesidades de vivienda para los ciudadanos de bajos recursos. Algunos ejemplos de proyectos para la vivienda son: 1) Asistencia para el pago a los primeros compradores de casa 2) Rehabilitación de Viviendas 3) B Alquiler de la vivienda 4) Vivienda de Transición 5) Vivienda para personas con discapacidades y necesidades especiales 6) Desarrollo de la Vivienda y 7) Construcción de nuevas viviendas. La vivienda debe ser permanente o transitoria y debe cumplir con las regulaciones de la ley Federal de Equidad de Vivienda.

El programa de subvenciones conocido como Subsidios para Refugios de Emergencia, ha sido aprobado por el Departamento de la Vivienda para enfatizar un cambio en las prioridades de esta fuente de financiación, desde la asistencia a centros con las operaciones y la gestión de casos a la transición rápidamente de las personas sin hogar a refugios en donde puedan recibir la asistencia que necesiten.

Las actividades elegibles ESG incluyen las actividades de alojamiento y la difusión del programa ESG mayor, también incluyen más actividades realojamiento prevención y

servicios de ayuda de alquiler a corto o medio plazo , vivienda , reubicación o estabilización , como la búsqueda de vivienda , mediación con los dueños de propiedades , servicios legales, restauración de crédito , pagos de servicios públicos, ayuda para el alquiler del último mes , y gastos de mudanza u otras actividades de reubicación o de estabilización.

Los paquetes de los fondos de 2014 están disponibles por internet en www.mctx.org . Los formularios y las copias impresas están disponibles en las Oficinas del Departamento de Desarrollo Comunitario ubicado en 501 N. Thompson , Suite 200 , Conroe , TX.

Las personas que deseen ver el plan de Desarrollo Comunitario consolidado de cinco años del Condado de Montgomery, planes de acción , el rendimiento anual completo y los informes de evaluación pueden hacerlo en cualquiera de las Bibliotecas del Condado de Montgomery o por internet www.mctx.org . Departamento de Desarrollo Comunitario .

Las personas con impedimentos de visión o audición, personas con discapacidades que requieren ayuda y servicios auxiliares o personas que requieran de un intérprete, deben comunicarse con el Departamento de Desarrollo Comunitario al (936) 538-8060 en referencia a las adaptaciones razonables por lo menos 24 horas antes de la reunión o para recibir ayuda con la accesibilidad a este aviso.

**PUBLIC HEARING
TUESDAY, APRIL 29, 2014
6:00 P.M.
LONE STAR CONVENTION AND EXPO CENTER**

I. OPEN PUBLIC HEARING

Prayer
Pledge of Allegiance
Welcome –

II. ORAL PRESENTATIONS OF GRANT PROPOSALS

- A. 6:15 Society of Samaritans
Mildred Ashworth, Executive Director
- B. 6:30 Access Builds Children
Norma Willcockson, Executive Director
- C. 6:45 Society of St. Vincent De Paul
Joe Coroneos, President
- D. 7:00 Montg. Cty. Children's Advocacy Center
Victoria J. Constance, Ph.D., Executive Director
- E. 7:15 Homeless Service Center
Don Johnson, Resource Development
- F. 7:30 Montgomery County Homeless Coalition
(CDBG Capital Project Grant)
Nancy Heintz, President

III. RECEIVE PUBLIC COMMENT

IV. ADJOURN

**PUBLIC HEARING
WEDNESDAY, APRIL 30, 2014
6:00 P.M.
LONE STAR CONVENTION AND EXPO CENTER**

I. OPEN PUBLIC HEARING

Prayer
Pledge of Allegiance
Welcome –

II. ORAL PRESENTATIONS OF GRANT PROPOSALS

- A. 6:15 Montg. Cty. Emergency Assistance
Chad Patterson, Executive Director
- B. 6:30 Friendship Center
Allison Hulett, Executive Director
- C. 6:45 Advocates for Families in Crisis
Claire Lindsay, Managing Attorney
- D. 7:00 Coat of Many Colors Ministries, Inc.
Michael Hayles, Sr., CEO
- E. 7:15 Mission Northeast
Pam Dickson, Director

III. RECEIVE PUBLIC COMMENT

IV. ADJOURN

**PUBLIC HEARING
THURSDAY, MAY 1, 2014
6:00 P.M.
LONE STAR CONVENTION AND EXPO CENTER**

I. OPEN PUBLIC HEARING

Prayer
Pledge of Allegiance
Welcome –

II. ORAL PRESENTATIONS OF GRANT PROPOSALS

- A. 6:15 New Danville (CDBG Capital Project Grant)
Kathy Sanders, President
- B. 6:30 Walker Montgomery County Comm. Dev. (CHDO)
(HOME Grant)
Donna Glass, Director
- C. 6:45 Salvation Army (ESG Grant)
Capt. Adrian Twinney
- D. 7:00 Montg. Cty. Youth Services (ESG Grant)
John Bracken, Executive Director
- E. 7:15 The Treehouse Center – (ESG Grant)
Kathleen Tanner, Executive Director

III. RECEIVE PUBLIC COMMENT

IV. ADJOURN

**Montgomery County Community Development Department
Consolidated Action Plan
Public Hearing
Lone Star Convention and Expo Center
April 29, 30, and May 1st, 2014
6:00 p.m.**

I. Introduction

To build and strengthen new partnerships with State and local governments and the private sector, the U.S. Department of Housing and Urban Development (HUD) requires a single consolidated submission for the planning and application aspects of the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Investment Partnerships (HOME), and Housing Opportunities for Persons With AIDS (HOPWA) Programs.

The purpose of this meeting is to hear presentations from social service providers and other community initiative proponents seeking to be Subrecipients of Community Development funds for the grant cycle 2014. Additionally, MCCD will receive comments from the public regarding social service programs, housing and community development needs, including priority non-housing Community Development needs; and the development of proposed activities. Further, MCCD will receive comments from the public regarding the program performance in Montgomery County or any other issues related to Montgomery County Community Development of interest to the public.

The overall goals of the Community Development and Planning Programs covered by the Consolidated Plan are to strengthen partnerships with jurisdictions and to extend and strengthen partnerships among all levels of government and the private sector including for-profit and nonprofit organizations, to enable them:

- to provide decent housing;
- to establish and maintain a suitable living environment; and,
- to expand economic opportunities for every American, particularly for very low-income and low-income persons.

The purpose of the Consolidated Plan is to require the County to state in one document its plan to pursue these goals for all the Community Planning and Development Programs, as well as for housing programs. The Consolidated Plan will serve the following functions:

1. A planning document for the jurisdiction, which builds on a participatory process at the grassroots level;
2. An application for federal funds under HUD's formula grant programs;
3. A strategy to be followed in carrying out HUD programs; and,
4. An action plan that provides a basis for assessing performance.

The County must submit its Consolidated Plan to HUD at least forty-five (45) days before the start of the County's program year. Montgomery County's program year will start on October 1, 2014. Therefore, Montgomery County's plan must be submitted by August 15, 2014. Before submission, the County must provide a period, not less than thirty (30) days, to receive comments from citizens, or units of general local government, on the proposed Consolidated Plan.

II. Assistance Expected To Be Received By Montgomery County

HUD has determined the fiscal 2014 funding allocations for CDBG. The amount of funds Montgomery County will receive and the eligible activities for the program is listed below.

A. Community Development Block Grant (CDBG)

1. Amount of Assistance: During fiscal year 2014, Montgomery County anticipates receiving approximately \$2,131,750 in CDBG Program funds. The anticipated amount is subject to Congressional funding of the program and will ultimately be consistent with the federal appropriation when approved by Congress.
2. Range of Activities: The primary objective of the Community Development Block Grant Program is to aid in 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 very low-income.

Each project or program assisted through the CDBG Program must meet one of the following three (3) objectives:

1. Activities benefiting low-income persons:

- a. Area Benefit Activities: An activity, the benefits of which are available to all the residents of an area, where at least fifty-one percent (51%) of the residents are low-income according to HUD. [Note: Area must be primarily residential in character.] or
- b. Limited Clientele Activities: An activity which benefits a limited clientele, at least fifty-one percent (51%) of whom are low-income persons according to HUD;

2. Aid in the prevention or elimination of slums and blight; or

3. Meet other urgent Community Development needs having a particular immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs.

B. Home Investment Partnership Program (HOME)

1. Amount of Assistance: During fiscal year 2014, Montgomery County anticipates receiving approximately \$465,806 in HOME Program funds. The anticipated amount is subject to Congressional funding of the program and will ultimately be consistent with the federal appropriation when approved by Congress.
2. Montgomery County anticipates funding at least one (2) projects utilizing HOME funds for the 2014 cycle.

C. Emergency Solutions Grant (ESG)

1. Amount of Assistance: During fiscal year 2014, Montgomery County anticipates receiving approximately \$172,087 in ESG Program funds. The anticipated amount is subject to Congressional funding of the program and will ultimately be consistent with the federal appropriation when approved by Congress.
2. Montgomery County anticipates funding at least one (2) projects utilizing ESG funds for the 2014 cycle.

III. CDBG Eligible Activities

CDBG funds may be used to carry out a wide range of Community Development activities directed toward neighborhood revitalization, economic development and improved community facilities and services. Funds may be used for the activities listed below:

- *Acquisition.* Acquisition in whole or in part of real property. Examples: Purchase of land easements, right-of-ways and buildings. This authority is subject to the limitation at 24 CFR 570.207(a)(1) which would preclude the acquisition cost attributable to a building to be used for the general conduct of government and 24 CFR 570.207(a)(3) which would preclude the acquisition of property to be used for political activities.
- *Public facilities and improvements.* Acquisition, construction, reconstruction, rehabilitation (including removal of architectural barriers to accessibility) or installation of public facilities (except for buildings for the general conduct of government) and improvements.
- *Clearance activities.* Demolition of buildings and improvements; removal of demolition products (rubble) and other debris; physical removal of environmental contaminants or treatment of such contaminants to render them harmless; and movement of structures to other sites.
- *Public services.* Provision of public services (including labor, supplies, materials and other costs), provided that the following criteria is met. The public service must be either: (1) a new service; or (2) a quantifiable increase in the level of a service above that which has been provided by or on behalf of the unit of general local government within the prior twelve (12) months. This requirement is intended to prevent the substitution of CDBG funds for recent support of public services by local or State funds. [Note: The amount of CDBG funds used for public services can not exceed fifteen percent (15%) of each entitlement area's grant.]
- *Privately owned utilities.* CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities. A privately-owned utility may be defined as a publicly-regulated service which is provided through the use of physical distribution lines to private properties and that is owned and operated by a non-public entity. Utilities include, but are not necessarily limited to, natural gas, electricity, telephone, water, sewer, and television cable services.
- *Construction of housing.* CDBG funds may be used only as last resort housing according to the provisions set forth in 24 CFR part 42 (Uniform Relocation Assistance and Real Property Acquisition For Federal and Federally Assisted Programs) or when carried out by an entity that has received funding through a Housing Development Grant. [Note: Other than these two situations, new housing construction is ineligible under the CDBG Program, unless carried out under the authority of the basic eligibility category, 570.204(a), "Special Activities by CBOs."
- *Code enforcement.* CDBG funds may be used for code enforcement only in deteriorating or deteriorated areas where such enforcement, together with public or private improvements, rehabilitation, or services to be provided, may be expected to arrest the decline of the area. Code enforcement involves the payment of salaries and overhead costs directly related to the enforcement of state and/or local codes.
- *Homeownership assistance.* CDBG funds may be used to provide financial assistance to low-and very low-income households to assist them in the purchase of a home.
- *Microenterprise assistance.* Microenterprise means a business having five or fewer employees, one or more of whom owns the business. CDBG funds may be used to facilitate economic development through the establishment, stabilization and expansion of microenterprises including the provision of technical assistance to new or existing microenterprises or to persons developing a microenterprise, and general support to owners of microenterprises and persons developing microenterprises.
- *Planning and capacity building.* CDBG funds may be used for studies, analysis, data gathering, preparation of plans, and identification of actions that will implement plans.
- *Rehabilitation.* Costs of rehabilitation for residential (whether privately or publicly owned), commercial/industrial and other property such as non-profit owned, nonresidential buildings and improvements that are not considered to be public facilities or improvements under 24 CFR 570.201(c). Eligible types of assistance include: costs of labor, materials, supplies and other expenses required for rehabilitation; financing;

refinancing; property acquisition; security devices; insurance; conservation; water and sewer; tools; barrier removal; landscaping, sidewalks, and driveways; renovation of closed buildings; historic preservation; lead-based paint hazard evaluation and reduction; rehabilitation services; and businesses in residences. [Note: Commercial or industrial property, but where such property is owned by a for-profit, rehabilitation under this category is limited to exterior improvements of the building and the correction of code violations.]

- *Special economic development.* CDBG funds may be used by a nonprofit Subrecipient for the acquisition, construction, rehabilitation, reconstruction, or installation of commercial or industrial buildings, structures and other related real property equipment and improvements. CDBG funds may be used to provide assistance to private for-profit entities for an activity determined to be appropriate to carry out an economic development project. This assistance may include, but is not limited to grants; loans; loan guarantees; interest supplements; technical assistance; or any other form except for those described as ineligible in 24 CFR 570.207(a), such as political activities. Economic development services in connection with the above subcategories, including outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities. The cost of providing necessary job training for persons filling those positions also may be provided. [Note: All activities under the category of Special Economic Development Activities at 24 CFR 570.203 must meet the level of public benefit as defined by HUD. The level of public benefit to be derived from the activity must be appropriate given the amount of CDBG assistance being provided given HUD standards.]
- *Special activities by Community-Based Development Organizations (CBDOs).* CDBG funds may be provided to qualified CBDOs to carry out neighborhood revitalization, community economic development, or energy conservation projects.
- *Other Miscellaneous Other Activities.*

Payment of the non-federal share. Federal share only for activities which are otherwise eligible for CDBG assistance. It should be noted that the authority to use CDBG funds for the non-federal share of another program does not override any specific restrictions against the use that may be contained in the statute or regulations of that program.

Urban renewal completion. Costs of completing an urban renewal project funded under Title I of the Housing Act of 1949.

Technical assistance. The use of CDBG funds to increase the capacity of public or non-profit entities to carry out eligible neighborhood revitalization or economic development activities.

Assistance to institutions of higher education. CDBG funds may be used to provide assistance to an institution of higher education (i.e., secondary schools or higher) when the grantee determines that such an institution has demonstrated a capacity to carry out activities that fall under one or more of the basic eligible activities under the CDBG Program.

Housing services. CDBG funds may be used to pay costs in support of activities eligible for funding under the HOME Program. This includes services such as housing counseling in connection with tenant-based rental assistance and affordable housing projects, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in the HOME Program.

Reconstruction. Reconstruction is generally defined as meaning the rebuilding of a structure on the same site in substantially the same manner. Deviations from the original design are permitted for reasons of safety or if otherwise impractical. The structure to be reconstructed may be residential or nonresidential, and either publicly- or privately-owned.

In Rem. CDBG funds can be used for housing units acquired through tax foreclosure proceedings. Specifically, essential repairs and payment of operating expenses needed to maintain the habitability of housing units

A

acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low-and moderate-income neighborhoods.

Handicapped Accessibility. Projects directed to the removal of material and architectural barriers that restrict the accessibility or mobility of elderly or handicapped persons.

IV. Ineligible Activities

The general rule is that any activity that is not authorized in the CDBG program regulations is ineligible for CDBG funding. The following outlines specific activities that may not be assisted with CDBG funds:

- Buildings or portions thereof used for the general conduct of government;
- General government expenses required to carry out the regular responsibilities of the unit of general local government;
- Political activities. CDBG funds can not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration;
- Purchase of equipment. Generally, the purchase of construction equipment is ineligible. Also, furnishings and personal property such as the purchase of equipment, fixtures, motor vehicles, furnishings or other personal property not an integral structural fixture;
- Operating and maintenance expenses. Generally, any expense associated with repairing, operating, or maintaining public facilities, improvements and services is ineligible;
- New housing construction. Activities in support of the development of low-and very low-income housing, including clearance, site assemblage, provision of site improvements and provisions of public improvements and certain housing pre-construction costs set forth in 570.206(g), are not considered as activities to subsidize or assist new construction. CDBG funds may not be used for the construction of new permanent residential structures or for any program to subsidize or assist such new construction, except as noted under eligible activities.
- Income payments. The general rule is that CDBG funds may not be used for income payments. Income payments means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities.



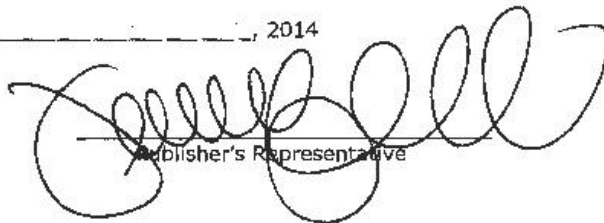
**HOUSTON
COMMUNITY
NEWSPAPERS**

AFFIDAVIT OF PUBLICATION

**STATE OF TEXAS
COUNTY OF MONTGOMERY**

Personally appeared before the undersigned, a Notary Public within and for said County and State, Jennifer Underferth, Representative for Jason Joseph, General Manager and Publisher of The Courier, a newspaper of general circulation in the County of Montgomery, State of Texas. Who being duly sworn, states under oath that the report of Legal Notices, a true copy of which is hereto annexed was published in said newspaper in its issue(s) of the

9th day of June, 2014
10th day of June, 2014
14th day of June, 2014
____ day of _____, 2014
____ day of _____, 2014
____ day of _____, 2014
____ day of _____, 2014
____ day of _____, 2014

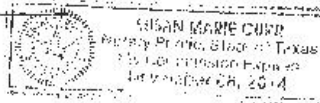


Publisher's Representative

Sworn to and subscribed before me this 16 day of June, 2014

Susan Mc

Notary Public



My commission expires on (stamp) _____





AFFIDAVIT OF PUBLICATION

ALTERNATIVE LANGUAGE PUBLISHER'S AFFIDAVIT

STATE OF TEXAS

COUNTY OF Montgomery

BEFORE ME, the undersigned notary Public, on this day personally appeared,

Jorge Perez, who being by me duly sworn,
(name of newspaper representative)

deposes and says that (s) he is the General Manager
(title of newspaper representative)

of the El Sol; that this newspaper generally
(name of newspaper)

circulated in Montgomery County, Texas, and is published primarily
(same county as proposed facility)

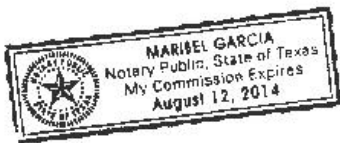
in Spanish language; that the attached notice was published in said
(alternative language)

newspaper on the following date (s): 06-13-14

subscribed and sworn before me this the 16th day of June, 2014

by Jorge Perez
Newspaper Representative's Signature

Mary Guri
Notary Public in and for the State of Texas



My commission expires on Aug 12 2014

FONDOS DE DESARROLLO COMUNITARIO

IMPORTE DE LA AYUDA DISPONIBLE PARA EL AÑO FISCAL 2014:
CDBG - 2131750 dólares
LINEA CDBG DE AUMENTO DE CRÉDITO - \$ 112,427.58

CONDADO DE MONTGOMERY
EL CENTRO DE LA AMISTAD
CONDUCTORES, TRANSPORTE O IMPLEMENTOS
\$ 55,000

CONDADO DE MONTGOMERY
SOCIEDAD DE SAN VICENTE DE PAUL
INTERVENCIÓN EN CASOS DE CRISIS
\$ 55,000

CONDADO DE MONTGOMERY
MONTGOMERY COUNTY SAFE HARBOR
SERVICIOS PARA NIÑOS ABUSOS SEXUALES
\$ 80,000

CONDADO DE MONTGOMERY
REHABILITACIÓN DE VIVIENDA
ENTREGA DEL PROGRAMA DE REHABILITACIÓN
\$ 54,985.33

CONDADO DE MONTGOMERY
ADMINISTRACIÓN DEL PROGRAMA DE REHABILITACIÓN
\$ 35,014.67

CONDADO DE MONTGOMERY
ASISTENCIA DE EMERGENCIA PARA EL CONDADO
ASISTENCIA A LAS VÍCTIMAS DE INCENDIO
\$ 43,932

CONDADO DE MONTGOMERY
DEMOLICIÓN
\$ 100,000

CONDADO DE MONTGOMERY
ADMINISTRACIÓN CDBG PROGRAMA GENERAL
\$ 425,350

ESTE DEL CONDADO DE MONTGOMERY
MISIÓN DEL NOROESTE
GENERADOR, CELEFACCIÓN, AIRE ACONDICIONADO PAVIMENTACIÓN
\$ 96,958.53

NOROESTE DEL CONDADO DE MONTGOMERY
EDIFICIO DE PAGOS
\$ 385,978

IMPORTE DE LA AYUDA DISPONIBLE PARA EL AÑO FISCAL 2014
\$ 172,087

CONDADO DE MONTGOMERY
ESG PROGRAMA DE ADMINISTRACIÓN
\$ 7,237

CONDADO DE MONTGOMERY
SERVICIOS JUVENILES DEL CONDADO
\$ 83,850

CONDADO DE MONTGOMERY
EJERCITO DE SALVACIÓN
\$ 81,000

El Proyecto del Plan de Acción Consolidado del Condado de Montgomery 2014 estará disponible para su revisión y comentarios públicos a partir del lunes 9 de junio 2014 hasta el viernes 11 de julio de 2014. Se motiva al público a revisar estos proyectos propuestos y presentar observaciones por escrito. El anuncio del proyecto propuesto puede ser revisado en el Departamento de Desarrollo Comunitario Condado de Montgomery ubicado en 501 N. Thompson, Suite 200 Conroe, Texas 77301, entre las horas de 8:00 am a 12:00 pm y de 13:00-5:00 pm. La Oficina estará cerrada el 4 de julio de 2014 por motivo de ser día feriado.

Se llevará a cabo una audiencia pública el Jueves, 26 de junio 2014 a las 5:30 pm en el Centro de Convenciones del Condado de Montgomery Lone Star and Expo Center, ubicado en 9055 Airport Road (FM 1484) Conroe, Texas 77303 para recibir comentarios del público con respecto a la proyectos propuestos para el Plan de Acción consolidado el año fiscal 2014 o desarrollo comunitario, el hogar y lo relacionado con ASG.

Se invita al público a presentar observaciones por escrito a la Dra. Joanne Ducharme, Directora del Departamento de Desarrollo Comunitario, 501 N. Thompson, Suite 200 Conroe, Texas 77301, Joanne.Ducharme@mtcx.org. Los comentarios serán incorporados en el Plan de Consolidación y documentados según corresponda.

La información de la aplicación del Programa de Desarrollo Comunitario y la Vivienda del año 2015 estará disponible en www.mctx.org (Departamento de Desarrollo Comunitario) en o antes del 01 de febrero 2015.

Las personas que deseen ver los planos consolidados quincensales del Condado de Montgomery de desarrollo comunitario, Planes de Acción, o el rendimiento anual completa y los Informes de evaluación, pueden hacerlo en cualquiera de las Bibliotecas del condado, o en la página web del Departamento de Desarrollo Comunitario al www.mctx.org.

Las personas con impedimentos de visión o audición u otras personas con discapacidades que requieren ayuda y servicios auxiliares a personas que requieren de un intérprete, deben comunicarse con el Departamento de Desarrollo Comunitario al (536) 539-8060 con respecto a las adaptaciones razonables por lo menos 24 horas antes de la reunión o para recibir ayuda con la accesibilidad a este aviso.

El Condado de Montgomery apoya las iniciativas de igualdad y de equidad de vivienda.

**501 N. Thompson, Suite 200
Conroe, Texas 77301
936-538-8060
936-538-8061 (fax)**

To: Branch Managers
All County Libraries

From: Dr. Joanne Ducharme

Date: May 30, 2014

Re: Public Notices

In an attempt to reach as many of our citizens as possible, please post the attached notices where the public may easily view them. The notices may be removed after July 11, 2014.

If you have any questions, please feel free to give me a call.

PUBLIC NOTICE:

**MONTGOMERY COUNTY COMMUNITY
DEVELOPMENT DEPARTMENT
PROPOSED STATEMENT OF OBJECTIVES AND USE OF FUNDS**

2014 CONSOLIDATED ACTION PLAN

To build and strengthen new partnerships with State and local governments and the private sector; the US Department of Housing and Urban Development (HUD) requires a single consolidated submission for the planning and application aspects of the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships (HOME), and Housing Opportunities for Persons With AIDS (HOPWA) Programs.

The objectives of Community Development are: 1) to provide benefits to low and moderate income persons; 2) eliminate slums and blighting conditions; and 3) meet urgent needs. The goals of Community Development and planning programs covered by the Consolidated Plan are to strengthen partnerships with jurisdictions and to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations to enable them: 1) to provide decent, safe, and sanitary housing; 2) provide a suitable living environment; and 3) to expand economic opportunities.

The purpose of the Consolidated Plan is to require the County to state in one document its plan to pursue these goals for all the community planning and development programs, as well as for housing programs. The Consolidated Plan serves the following functions:

1. A planning document for the jurisdiction, which builds on a participatory process at the lowest levels;
2. An application for federal funds under HUD's formula grant programs;
3. A strategy to be followed in carrying out HUD programs; and
4. An action plan that provides a basis for assessing performance.

The FY 2014 Consolidated Action Plan includes the projects proposed to be funded during Program Year 2014, October 1, 2014 through September 30, 2015. These projects are listed below by program funding source and geographic area. The recommended amount of funding for each project also is listed.

COMMUNITY DEVELOPMENT BLOCK GRANT

AMOUNT OF ASSISTANCE AVAILABLE FOR FY 2014:

CDBG - \$2,131,750

CDBG LINE OF CREDIT INCREASE - \$112,427.58

COUNTYWIDE

THE FRIENDSHIP CENTER
DRIVERS, TRANS. OP. SUPV.
\$65,000

COUNTYWIDE

SOCIETY OF ST. VINCENT DE PAUL
CRISIS INTERVENTION
\$55,000

COUNTYWIDE

MONTGOMERY COUNTY SAFE HARBOR
SERVICES FOR SEXUALLY ABUSED CHILDREN
\$80,000

COUNTYWIDE

HOUSING REHABILITATION
REHAB PROGRAM DELIVERY
\$54,985.33
REHAB PROGRAM ADMIN
\$35,014.67

COUNTY WIDE

MONTGOMERY CTY EMERGENCY ASSISTANCE
ASSISTANCE FOR FIRE VICTIMS
\$43,932

COUNTYWIDE

DEMOLITION
\$100,000

COUNTYWIDE

CDBG PROGRAM GENERAL
ADMINISTRATION
\$426,350

EAST COUNTY

MISSION NORTHEAST
GENERATOR, HEATING/COOLING/PAVING
\$96,968.83

NORTHWEST COUNTY

MONTGOMERY BLDG PAYMENT
\$385,978

COUNTYWIDE

PROJECT DELIVERY
\$39,476.75

COUNTY WIDE

ACCESS BUILDS CHILDREN
VISITATION COACH, FACILITATOR, AND EXPENSES
\$20,830

WEST COUNTY
MAGNOLIA
SOCIETY OF SAMARITANS
CRISIS INTERVENTION
\$55,000

COUNTYWIDE
HOMELESS COALITION
BUILDING REMODEL FOR MULTI-USE HOMELESS DAYTIME FACILITY
\$785,642

HUD identified a project that did not meet a national objective (Tamina Water and Sewer Project) and Montgomery County was ordered to pay back local funds in the sum of \$112,427.58. These funds were then added to Montgomery County's CDBG program Line of Credit.

2014 HOME INVESTMENT PARTNERSHIPS PROGRAM

AMOUNT OF ASSISTANCE AVAILABLE FOR FY 2014:
\$465,806

NORTH COUNTY
WILLIS
CHDO SET-ASIDE
WALKER-- MONTGOMERY COMMUNITY DEVELOPMENT CORPORATION
SENIOR AND DISABLED MULTI-FAMILY HOUSING
\$69,871

COUNTYWIDE
HOME PROGRAM ADMINISTRATION
\$46,580

COUNTYWIDE
HOME PROGRAM PROJECT DELIVERY
\$30,298.83

COUNTYWIDE
UNALLOCATED FUNDS
TRANSITIONAL HOUSING PROJECT
\$319,056.17

2014 EMERGENCY SOLUTIONS GRANT

AMOUNT OF ASSISTANCE AVAILABLE FOR FY 2014:
\$172,087

COUNTYWIDE
ESG PROGRAM ADMINISTRATION
\$7,237

COUNTYWIDE
MONTGOMERY COUNTY

YOUTH SERVICES
\$83,850
COUNTYWIDE
SALVATION ARMY
\$81,000

The Montgomery County 2014 Consolidated Action Plan Draft Proposed Project listing will be available for public review and comment from Monday, June 9, 2014 through Friday, July 11, 2014. The public is encouraged to review these proposed projects and submit written comments. The proposed project listing may be reviewed at the Office of Montgomery County Community Development, 501 N. Thompson, Suite 200 Conroe, Texas 77301, between the hours of 8:00 am to 12:00 noon and 1:00 pm to 5:00 pm. The Office of Montgomery County Community Development will be closed on July 4, 2014 for the holiday.

A public hearing will be held on Thursday, June 26, 2014 at 5:30 pm at The Montgomery County Lone Star Convention and Expo Center, located at 9055 Airport Road (FM 1484) Conroe, Texas 77303 to receive comments from the public regarding the proposed projects for the FY 2014 Consolidated Action Plan and/or Community Development, HOME, and ESG issues.

The public is encouraged to submit written comments to Dr. Joanne Ducharme, Director of Community Development, 501 N. Thompson, Suite 200, Conroe, Texas 77301. Comments will be incorporated into the Consolidated Plan and documented as appropriate.

2015 CDBG and HOME Grant application information will be available at (Community Development Department) on or before February 1, 2015.

Persons wishing to view the Montgomery County Community Development Consolidated Five-Year Plans; Action Plans; or The Comprehensive Annual Performance and Evaluation Reports, may do so at any of the County libraries, or on the Community Development webpage at

Persons with vision or hearing impairments or other individuals with disabilities requiring auxiliary aids and services, or individuals requiring an interpreter, should contact the Community Development Department at (936) 538-8060 regarding reasonable accommodations at least 24 hours before the meeting or to receive assistance with accessibility to this notice.

Montgomery County supports equal and fair housing initiatives.

AVISO PÚBLICO
DEPARTAMENTO DE DESARROLLO COMUNITARIO
CONDADO DE MONTGOMERY
DECLARACIÓN Y PROPUESTA DE OBJETIVOS, USO DE FONDOS

2014 PLAN DE ACCIÓN CONSOLIDADO

Para construir y fortalecer nuevas alianzas con los gobiernos estatales, locales , el sector privado, el Departamento de Vivienda y Desarrollo Urbano de Estados Unidos (HUD) requiere una presentación consolidada de los aspectos de planificación y aplicación de la Community Development Block Grant (CDBG) , Emergencia Soluciones Grant (ESG) , Asociación para Inversiones en Vivienda (HOME) y Programas de Oportunidades de Vivienda para Personas con SIDA (HOPWA).

Los objetivos del Desarrollo Comunitario son los siguientes: 1) Proporcionar beneficios a las personas de bajos y moderados ingresos ; 2) eliminar las condiciones desastrosas 3) los casos de necesidad . Los objetivos del desarrollo comunitario y los programas de planificación cubiertos por el Plan Consolidado son: fortalecer las alianzas con las jurisdicciones , ampliar y fortalecer las asociaciones entre todos los niveles de gobierno y el sector privado , incluidas las organizaciones con fines de lucro y sin fines de lucro que les permitan: 1) proporcionar una vivienda decente, segura y sanitaria ; 2) proporcionar un entorno de vida adecuado 3) ampliar las oportunidades económicas.

El propósito del Plan Consolidado es exigir que el Condado indique en un documento su plan para lograr estos objetivos para la planificación de programas de desarrollo comunitario así como para los programas de vivienda. El Plan Consolidado desempeña las siguientes funciones:

- 1 Un documento de planificación para la jurisdicción que se basa en un proceso participativo a los niveles más bajos
- 2 La solicitud de fondos federales bajo programas de subsidios de fórmula de HUD
- 3 Una estrategia a seguir en la realización de los programas de HUD
- 4 Un plan de acción que sirve de base para la evaluación del desempeño

El año fiscal 2014 el Plan de Acción Consolidado incluye los proyectos propuestos para ser financiados durante el Año del Programa 2014 , 01 de octubre 2014 al 30 de septiembre de 2015. Estos proyectos se enumeran a continuación por el programa de la fuente de financiamiento y el área geográfica. La cantidad recomendada de financiación de cada proyecto está en la lista .

FONDOS DE DESARROLLO COMUNITARIO

IMPORTE DE LA AYUDA DISPONIBLE PARA EL AÑO FISCAL 2014:

CDBG - 2131750 dólares

LÍNEA CDBG DE AUMENTO DE CRÉDITO - \$ 112,427.58

CONDADO DE MONTGOMERY
EL CENTRO DE LA AMISTAD
CONDUCTORES , TRANSPORTE O IMPLEMENTOS
\$ 65.000

CONDADO DE MONTGOMERY
SOCIEDAD DE SAN VICENTE DE PAÚL
INTERVENCIÓN EN CASOS DE CRISIS
\$ 55.000

CONDADO DE MONTGOMERY
MONTGOMERY COUNTY SAFE HARBOR
SERVICIOS PARA NIÑOS ABUSOS SEXUALES
\$ 80.000

CONDADO DE MONTGOMERY
REHABILITACIÓN DE VIVIENDA
ENTREGA DEL PROGRAMA DE REHABILITACIÓN
\$ 54,985.33

CONDADO DE MONTGOMERY
ADMINISTRACIÓN DEL PROGRAMA DE REHABILITACIÓN
\$ 35,014.67

CONDADO DE MONTGOMERY
ASISTENCIA DE EMERGENCIA PARA EL CONDADO
ASISTENCIA A LAS VÍCTIMAS DE INCENDIO
\$ 43.932

CONDADO DE MONTGOMERY
DEMOLICIÓN
\$ 100.000

CONDADO DE MONTGOMERY
ADMINISTRACIÓN CDBG PROGRAMA GENERAL
\$ 426.350

ESTE DEL CONDADO DE MONTGOMERY
MISIÓN DEL NORESTE
GENERADOR , CELEFACCIÓN,AIRE ACONDICIONADO PAVIMENTACIÓN
\$ 96,968.83

NOROESTE DEL CONDADO DE MONTGOMERY
EDIFICIO DE PAGOS
\$ 385.978

CONDADO DE MONTGOMERY
ENTREGA DEL PROYECTO
\$ 39,476.75

CONDADO DE MONTGOMERY
CONSTRUCCIONES PARA LOS NIÑOS
ENTRENADOR DE VISITAS , FACILITADOR Y GASTOS
\$ 20.830

OESTE DEL CONDADO
MAGNOLIA
SOCIEDAD DE SAMARITANOS
INTERVENCIÓN EN CASOS DE CRISIS
\$ 55.000

CONDADO DE MONTGOMERY
COALICIÓN PARA PERSONAS SIN HOGAR
REMODELACIÓN DE LAS INSTALACIONES DEL EDIFICIO DE MULTI USO DE DÍA
PARA PERSONAS SIN HOGAR
\$ 785,642

HUD identificó un proyecto que no cumplió con el objetivo nacional (Tamina-Proyecto de Agua y Alcantarillado) y el condado de Montgomery recibió la orden de pagar los fondos locales por la suma de \$ 112,427.58 . Estos fondos se añadieron al programa CDBG Línea de Crédito del Condado de Montgomery .

2014 Asociación para programa de Inversiones
IMPORTE DE LA AYUDA DISPONIBLE PARA EL AÑO FISCAL 2014
465.806 dólares

AL NORTE DEL CONDADO
WILLIS
Autoridad Aeronáutica de retirada de tierras

WALKER - MONTGOMERY DESARROLLO COMUNITARIO CORPORATION
MAYORES Y DISCAPACITADAS multifamiliar de viviendas
\$ 69.871

CONDADO DE MONTGOMERY
ADMINISTRACIÓN PROGRAMA DE VIVIENDA
\$ 46.580

CONDADO DE MONTGOMERY
ENTREGA DEL PROYECTO PRINCIPAL DE PROGRAMA
\$ 30,298.83

CONDADO DE MONTGOMERY
fondos no asignados
PROYECTO DE VIVIENDA DE TRANSICIÓN
\$ 319,056.17

2014 SOLUCIONES DE EMERGENCIA DE SUBVENCIÓN
IMPORTE DE LA AYUDA DISPONIBLE PARA EL AÑO FISCAL 2014
\$ 172.087

CONDADO DE MONTGOMERY
ESG PROGRAMA DE ADMINISTRACIÓN
\$ 7.237

CONDADO DE MONTGOMERY
SERVICIOS JUVENILES DEL CONDADO
\$ 83.850

CONDADO DE MONTGOMERY
EJÉRCITO DE SALVACIÓN
\$ 81.000

El Proyecto del Plan de Acción Consolidado del Condado de Montgomery 2014
estará disponible para su revisión y comentarios públicos a partir del lunes 9 de junio
2014 hasta el viernes 11 de julio de 2014 . Se motiva al público a revisar estos
proyectos propuestos y presentar observaciones por escrito . El anuncio del proyecto

propuesto puede ser revisado en el Departamento de Desarrollo Comunitario Condado de Montgomery ubicado en 501 N. Thompson , Suite 200 Conroe , Texas 77301 , entre las horas de 8:00 am a 12:00 pm y de 13:00-5:00 pm . La Oficina estará cerrado el 4 de julio de 2014 por motivo de ser día feriado.

Se llevará a cabo una audiencia pública el Jueves, 26 de junio 2014 a las 5:30 pm en el Centro de Convenciones del Condado de Montgomery Lone Star y Expo Center , ubicado en 9055 Airport Road (FM 1484) Conroe , Texas 77303 para recibir comentarios del público con respecto a la proyectos propuestos para el Plan de Acción consolidado el año fiscal 2014 o desarrollo comunitario , el hogar y lo relacionado con ASG .

Se invita al público a presentar observaciones por escrito a la Dra. Joanne Ducharme Directora del Departamento de Desarrollo Comunitario , 501 N. Thompson , Suite 200 Conroe , Texas 77301 . Joanne.Ducharme @ mctx.org . Los comentarios serán incorporados en el Plan de Consolidación y documentados según corresponda.

La información de la aplicación del Programa de Desarrollo Comunitario y la Vivienda del año 2015 estará disponible en www.mctx.org (Departamento de Desarrollo Comunitario) en o antes del 01 de febrero 2015 .

Las personas que deseen ver los planes consolidados quincenales del Condado de Montgomery de desarrollo comunitario, Planes de Acción , o el rendimiento anual completa y los informes de evaluación , pueden hacerlo en cualquiera de las Bibliotecas del condado , o en la página web del Departamento de Desarrollo Comunitario al www.mctx.org .

Las personas con impedimentos de visión o audición u otras personas con discapacidades que requieren ayuda y servicios auxiliares o personas que requieren de un intérprete, deben comunicarse con el Departamento de Desarrollo Comunitario al (936) 538-8060 con respecto a las adaptaciones razonables por lo menos 24 horas antes de la reunión o para recibir ayuda con la accesibilidad a este aviso.

El Condado de Montgomery apoya las iniciativas de igualdad y de equidad de vivienda.


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*                                TRANSACTION REPORT                *
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*                                MAY-30-2014 FR! 08:28 AM          *
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501 N. Thompson, Suite 200
Courtoe, Texas 77301
936-538-8060
936-538-8061 (fax)

To: Branch Managers
 All County Libraries

From: Dr. Joanne Ducharme

Date: May 30, 2014

Re: Public Notices

In an attempt to reach as many of our citizens as possible, please post the attached notices where

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*                                TRANSACTION REPORT                *
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*                                TOTAL :      5M 14S PAGES: 10
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501 N. Thompson, Suite 200
 Conroe, Texas 77301
 936-538-8060
 936-538-8061 (fax)

To: Branch Managers
 All County Libraries

 From: Dr. Joanne Ducharme

 Date: May 30, 2014

 Re: Public Notices

In an attempt to reach as many of our citizens as possible, please post the attached notices where


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*              TRANSACTION REPORT                                *
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501 N. Thompson, Suite 200
 Conroe, Texas 77301
 936-538-8060
 936-538-8061 (fax)

To: Branch Managers
 All County Libraries

From: Dr. Joanne Ducharme

Date: May 30, 2014

Re: Public Notices

In an attempt to reach as many of our citizens as possible, please post the attached notices where

**Public Meeting
Lone Star Convention Center
June 26, 2014
5:30 p.m.**

I. OPEN PUBLIC HEARING

Pledge of Allegiance
Welcome -- Joanne Ducharme, Ph.D.

II. REVIEW OF THE 2014 ACTION PLAN

III. CITIZEN COMMENTS

IV. QUESTIONS AND ANSWERS

V. ADJOURN

**FY 2014
Consolidated Action Plan
Public Meeting
June 26, 2014
Lone Star Convention and Expo Center
5:30 p.m.**

No one attended the public meeting on June 26, 2014.

The Plan was made available to the public for their review and comment beginning June 9, 2014 and ending July 11, 2014. The Plan was available at the Community Development Office located at 501 N. Thompson, Suite 200, Conroe, Texas 77301. Notices were placed in the local paper and El Sol Spanish Newspaper and posted at the Montgomery County library branches and at the East, West, Northwest, and North Community Development Centers, stating that the Plan was available for review. During the review period, no citizens viewed the Plan at the Community Development Office.

2014 Consolidated Action Plan Timeline

Post CDBG RFP's on website	Thursday, Jan. 23, 2014
Public Meeting Notice in Newspaper	Thursday, March 20, 2014
Public Meeting Notice in El Sol	Friday, March 14, 2014
Public Meeting Notice in Newspaper	Saturday, April 5, 2014
Public Meeting Notice in Newspaper	Monday, April 7, 2014
CDBG RFP's Due	Monday, March 31, 2014
First Public Hearing (Lone Star Convention Center 6:00 p.m.)	Tuesday, April 29, 2014
Second Public Hearing (Lone Star Convention Center 6:00 p.m.)	Wednesday, April 30, 2014
Post HOME RFP's on website	Thursday, Jan. 23, 2014
Public Meeting Notice in Newspaper	Friday, March 21, 2014
Public Meeting Notice in El Sol	Friday, March 21, 2014
Public Meeting Notice in Newspaper	Saturday, April 12, 2014
Public Meeting Notice in Newspaper	Monday, April 14, 2014
HOME RFP's Due	Monday, March 31, 2014
Public Hearing (Lone Star Convention Center 6:00 p.m.)	Thursday, May 1, 2014
Complete Draft of 2014 Consolidated Action Plan/Summary	Friday, May 23, 2014
2014 Proposed Projects and Public Notice in Paper	Monday, June 9, 2014
2014 Proposed Projects and Public Notice in Paper	Tuesday, June 10, 2014
2014 Proposed Projects and Public Notice in Paper	Saturday, June 14, 2014
2014 Proposed Projects and Public Notice in El Sol	Friday, June 13, 2014
Beginning of Thirty-Day Comment Period	Monday, June 9, 2014
Final Public Hearing- Action Plan (Lone Star Conv. Ctr. 6:00 p.m.)	Thursday, June 26, 2014
End of Thirty-Day Comment Period	Friday, July 11, 2014
Commissioner's Court Approval, Signature	Monday, July 28, 2014
Submit Final Consolidated Plan to HUD (45 days before start of fiscal year)	Wednesday, July 30, 2014
HUD Review of Document	Aug. 15 thru Sept. 30, 2014
Start of FY 2014 Program Year	Monday, October 1, 2014

To obtain a 2015 RFP, please download from the [Montgomery County Community Development website](#). If you need additional information regarding CDBG, please contact Joanne Ducharme, Ph.D., Director of Community Development at (936)538-8060.

APPENDIX E:

ANTIDISPLACEMENT AND RELOCATION PLAN

Revised 5/17/07

**MONTGOMERY COUNTY
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
Residential Antidisplacement and Relocation Assistance Plan**

Consistent with the goals and objectives of 24 CFR Part 570.606, Montgomery County certifies that the County will take all reasonable steps to minimize the displacement of persons and will not displace or demolish any occupied or vacant occupiable lower income housing in connection with activities assisted with Community Development Block Grant Program (CDBG) funds.

In the event that persons are displaced or occupied or vacant occupiable lower income housing is demolished in connection with a project assisted with funds provided under the CDBG Program, Montgomery County will provide one-for-one replacement of low/moderate-income dwelling units and relocation assistance.

A displaced person shall be provided with relocation assistance at the levels described in, and in accordance with the requirements of 49 CFR Part 24 which contains the government-wide regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).

DEFINITIONS

Comparable replacement dwelling unit: a dwelling unit that (A) meets the criteria of 49 CFR 24.2(d)(1) through (6); and (B) is available at a monthly cost

Displaced person: (1) For purposes of this paragraph, the term "displaced person" means any person (family, individual, business, non-profit organization, or farm) that moves from real property, or moves his or her personal property from real property, permanently and involuntarily, as a direct result of rehabilitation, demolition, or acquisition for an assisted under 24 CFR Part 570.606. A permanent, involuntary move for an assisted activity includes a permanent move from real property that is made:

- (A) after notice by Montgomery County to move permanently from the property, if the move occurs on or after the date of the initial submission to HUD of the final statement under 24 CFR Part 570.502(g)(2) for activities under the entitlement program; the initial submission to HUD of an application for assistance under 24 CFR Part 570.426, 570.430, or 570.435(d) that is later granted for activities governed by the HUD-administered small cities program; the submission to HUD of an application for assistance under 24 CFR 570.453 that is later granted for activities under the UDAG program; the submission to HUD of an application for assistance under part 570, subpart G (Special Purpose Grants) that is later granted; or the submission to HUD of an application for loan guarantee assistance under 24 CFR 570.701 that is later provided for an activity under the section 108 loan guarantee program.

- (B) After notice by the property owner to move permanently from the property, if the move occurs after the date of the submission of a request for financial assistance by the property owner (or person in control of the site) that is later approved for the requested activity.
- (C) Before the date described in paragraph (A) or (B) of this section, if either HUD or Montgomery County determines that the displacement directly resulted from acquisition, rehabilitation, or demolition for the requested activity.
- (D) After the "initiation of negotiations" if the person is the tenant-occupant of a dwelling unit and any one of the following three situation occurs:
 - (1) The tenant has not been provided with a reasonable opportunity to lease and occupy a suitable decent, safe, and sanitary dwelling in the same building/complex upon the completion of the project under reasonable terms and conditions, including a monthly rent that does not exceed the greater of the tenant's monthly rent and estimated average utility costs before the initiation of negotiations or 30 percent of the household's average monthly gross income; or
 - (2) The tenant is required to relocate temporarily for the activity but
 - (i) the tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary location and any increased housing costs, or other conditions of the temporary relocation are not reasonable and
 - (ii) the tenant does not return to the building/complex; or
 - (3) The tenant is required to move to another unit in the building/complex, but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move.
- (ii) Notwithstanding the provisions of paragraph (i) of this section, the term "displaced person" does not include:
 - (A) A person who is evicted for cause based upon serious or repeated violations of material terms of the lease or occupancy agreement. To exclude a person on this basis, Montgomery County must determine that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance under this section;

- (B) A person who moves into the property after the date of the notice described in paragraph (i)(A) or (B) of this section, but who received a written notice of the expected displacement before occupancy.
 - (C) A person who is not displaced as described in 49 CFR 24.2(g)(2).
 - (D) A person who Montgomery County determines is not displaced as a direct result of the acquisition, rehabilitation, or demolition for an assisted activity. To exclude a person on this basis, HUD must concur in that determination.
- (ii) Montgomery County may, at any time, request HUD to determine whether a person is a displaced person under this section.

Initiation of negotiations: the execution of the grant of loan agreement between Montgomery County and the person owning or controlling the real property.

Low/moderate-income dwelling unit: The term "low/moderate-income dwelling unit" means a dwelling unit with a market rent (including utility costs) that does not exceed the applicable Fair Market Rent (FMR) for existing housing established under 24 CFR Part 888, except that the term does not include a unit that is owned and occupied by the same person before and after the assisted rehabilitation.

- One-for-one replacement of low/moderate-income dwelling units:** (i) All occupied and vacant occupiable low/moderate-income dwelling units that are demolished or converted to a use other than as low/moderate-income dwelling units in connection with an activity assisted under this part must be replaced with low/moderate income dwelling units.
- (ii) Replacement low/moderate-income dwelling units may be provided by any government agency or private developer, and must meet the following requirements:
 - (A) The units must be located within Montgomery County's jurisdiction.
 - (B) The units must be sufficient in number and size to house no fewer than the number of occupants who could have been housed in the units that are demolished or converted. The number of occupants who could have been housed in units shall be determined in accordance with applicable local housing occupancy codes. Montgomery County may not replace those units with smaller units (e.g., a 2-bedroom unit with two 1-bedroom units) unless Montgomery County has provided the information required (ii)(C) of this section.
 - (C) The units must be provided in standard condition. Replacement low/moderate income dwelling units may include units that have been raised to standard from substandard condition if:

- (1) no person was displaced from the unit as a direct result of an assisted activity and
 - (2) the unit was vacant for at least three months before execution of the agreement between Montgomery County and the property owner.
- (D) The units must initially be made available for occupancy at any time during the period beginning one year before Montgomery County's submission of the information required under paragraph (iii) of this section and ending three years after the commencement of the demolition or rehabilitation related to the conversion.
 - (E) The units must be designed to remain low/moderate-income dwelling units for at least 10 years from the date of initial occupancy. Replacement low/moderate-income dwelling units may include, but are not limited to, public housing, or existing housing receiving Section 8 project-based assistance under the United States Housing Act of 1937.
- (iii) Before Montgomery County enters into a contract committing it to provide funds under this part for any activity that will directly result in the demolition of low/moderate-income dwelling units or the conversion of low/moderate-income dwelling units to another use, Montgomery County must make public, and submit the following information in writing to the HUD Field Office for monitoring purposes:
 - (A) A description of the proposed assisted activity;
 - (B) The location on a map and number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than for low/moderate-income dwelling units as a direct result of the assisted activity;
 - (C) A time schedule for the commencement and completion of the demolition or conversion;
 - (D) The location on a map and the number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units. If such data are not available at the time of the general submission, the submission shall identify the general location on an area map and the approximate number of dwelling units by size, and information identifying the specific location and number of dwelling units by size shall be submitted and disclosed to the public as soon as it is available;
 - (E) The source of funding and a time schedule for the provision of replacement dwelling units;

- (F) The basis for concluding that each replacement dwelling unit will remain a low/moderate income dwelling unit for at least 10 years from the date of initial occupancy; and
 - (G) Information demonstrating that any proposed replacement of dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units) is consistent with the needs analysis contained in the HUD-approved Comprehensive Housing Affordability Strategy.
- (iv) (A) The one-for-one replacement requirement of this section does not apply to the extent the Field Office determines, based upon objective data, that there is an adequate supply of vacant low/moderate-income dwelling units in standard condition available on a nondiscriminatory basis within Montgomery County. In determining the adequacy of supply, HUD will consider whether the demolition or conversion of the low/moderate-income dwelling units will have a material impact on the ability of low- and moderate-income housing. HUD will consider relevant evidence of housing supply and demand including, but not limited to, the following factors: the housing vacancy rate in the jurisdiction; the number of vacant low/moderate-income dwelling units in the jurisdiction (excluding units that will be demolished or converted); the number of eligible families on waiting lists for housing assisted under the United States Housing Act of 1937 in Montgomery County; the needs analysis contained in any applicable HUD-approved Comprehensive Housing Affordability Strategy; and relevant past or predicted demographic changes.
- (B) HUD may consider the supply of vacant low/moderate-income dwelling units in a standard condition available on a nondiscriminatory basis in an area that is larger than Montgomery County's jurisdiction. Such additional dwelling units shall be considered if the Field Office determines that the units would be suitable to serve the needs of the low- and moderate-income households that could be served by the low/moderate-income dwelling units that are to be demolished or converted to another use. HUD will base this determination on geographic and demographic factors, such as location and access to places of employment and to other facilities.
- (C) Montgomery County must submit the request for determination under this paragraph directly to the Field Office. Simultaneously with the submission of the request, Montgomery County must make the submission public and inform interested persons that they have 30 days from the date of submission to provide to HUD additional information supporting or opposing the request.

Relocation assistance under URA: Each displaced person is entitled to choose to receive either assistance at URA levels or the following relocation assistance:

- (i) Advisory services at the levels described in 49 CFR Part 24, subpart C. Tenants shall be advised of their rights under the Fair Housing Act and of replacement housing opportunities in such a manner that, to the extent feasible, will provide a choice between relocating within their neighborhoods and other neighborhoods consistent with Montgomery County's responsibility to affirmatively further fair housing;
- (ii) Payment for moving expenses at the levels described in 49 CFR Part 24, subpart D.
- (iii) The reasonable and necessary cost of any security deposit required to rent the replacement dwelling unit, and for credit checks required to rent or purchase the replacement dwelling unit.
- (iv) Interim living costs. Montgomery County shall reimburse a person for actual reasonable out-of-pocket costs incurred in connection with temporary relocation, including moving expenses and increased housing costs, if
 - (A) the person must relocate temporarily because continued occupancy of the dwelling unit constitutes a substantial danger to the health or safety of the person or the public; or
 - (B) the person is displaced from a "low/moderate-income dwelling unit," none of the comparable replacement dwelling units to which the person has been referred qualifies as a low/moderate-income dwelling unit, and a suitable low/moderate dwelling unit is scheduled to become available in accordance with paragraph (c)(1) of this section. (Because a "comparable replacement dwelling unit" may be made affordable to a person through a rental assistance payment and its market rent may exceed the Fair Market Rent (FMR) under the Section 8 Existing Housing Program, it may not meet the definition of a "low/moderate income dwelling unit.")
- (v) Replacement housing assistance. Persons are eligible to receive one of the following two forms of replacement housing assistance:
 - (A) Each person must be offered rental assistance equal to 50 times the amount necessary to reduce the monthly rent and estimated average monthly cost of utilities for a replacement dwelling (comparable replacement dwelling or decent, safe, and sanitary replacement dwelling to which the person relocates, whichever costs less) to the "Total Tenant Payment," as determined under 24 CFR Part 813.107 of this title. All or a portion of this assistance may be offered through a certificate of housing voucher for rental assistance (if available) provided through the Local Public Agency (PHA) under Section 8 of the United States Housing Act of 1937. If a Section 8 certificate or housing voucher is provided to a person, Montgomery County must provide referrals to comparable replacement dwelling units where the owner is willing to participate in the Section 8 Existing Housing

Program. To the extent that cash assistance is provided, it may, at the discretion of Montgomery County, be in either a lump sum or in installments.

- (B) If the person purchases an interest in a housing cooperative or mutual housing association and occupies a decent, safe, and sanitary dwelling in the cooperative or association, the person may elect to receive a lump payment. This lump sum payment shall be equal to the capitalized value of 60 monthly installments of the amount that is obtained by subtracting the "Total Tenant Payment," as determined under 24 CFR Part 813.107 of this title, from the monthly rent and estimated average monthly cost of utilities at a comparable replacement dwelling unit. To compute the capitalized value, the installments shall be discounted at the rate of interest paid on passbook savings deposits by a federally insured bank of savings and loan institution conducting business within Montgomery County's jurisdiction. To the extent necessary to minimize hardship to the household, Montgomery County shall, subject to appropriate safeguards, issue a payment in advance of the purchase of the interest in the housing cooperative or mutual housing association.
- (C) Displaced low/moderate income tenants shall be advised of their right to elect relocation assistance pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations appearing at 49 CFR Part 24 as an alternative to the relocation assistance available under Montgomery County's Residential Antidisplacement and Relocation Assistance Plan.

Standard condition and substandard condition suitable for rehabilitation: If the grantee has a HUD-approved Comprehensive Housing Affordability Strategy (CHAS), the definitions of "standard condition" and "substandard condition suitable for rehabilitation" established in the plan will apply.

Montgomery County Definitions:

Substandard condition: a housing unit which does not meet Section 8 Housing Quality Standards (HQS).

Substandard condition and not suitable for rehabilitation: Housing units not suitable for rehabilitation are those units which do not meet Section 8 Housing Quality Standards and which can not be brought into compliance with Section 8 HQS at a cost which is less than the value of the property (both improvements and land) on the most current Montgomery County certified tax roll.

Vacant occupiable dwelling unit: The term "vacant occupiable dwelling unit" means a vacant dwelling unit that is in a standard condition; a vacant dwelling unit that is in a substandard condition, but is suitable for rehabilitation; or a dwelling unit in any condition that has been

occupied (except by a squatter) at any time within the period beginning one year before the date of execution of the agreement by Montgomery County covering the rehabilitation or demolition.

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APPENDIX F:

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICES

Revised 7/13

**MONTGOMERY COUNTY
COMMUNITY DEVELOPMENT**

**ANALYSIS OF IMPEDIMENTS
TO FAIR HOUSING CHOICES**

Reviewed by: Dr. Joanne Ducharme, MCCD

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July 3, 2013

IMPEDIMENTS TO FAIR HOUSING CHOICE IN MONTGOMERY COUNTY, TEXAS

A. INTRODUCTION

Montgomery County was created in 1837, and is located on the southern edge of the Big Thicket, approximately forty miles north of the metropolitan Houston. The County operates a full service airport and is also served by nearby Houston Bush Intercontinental Airport. Three major rail lines intersect in the county seat Conroe. The Lone Star Community College District offers both 2 and 4-year degree plans to the citizens of the County. Montgomery County, which includes the beautiful Lake Conroe, covers some 1,077 square miles of typical rural America nestled securely beside its urban neighbors.

The County's economy is based on mineral production, agriculture, and timber. The official 2010 census lists the population for Montgomery County at 455,746. Texas Workforce Commission statistics indicate the unemployment rate for the County dropped to 6.0% for 2012.

Residential and commercial construction decreased slightly in 2010; however, valuations increased in southern parts of the County along the Interstate 45 corridor, in Conroe around the Loop 336, and along the shores of Lake Conroe. Investments made in Texas highways recently have assisted in attracting new and diverse businesses to the County.

In 1998 Montgomery County qualified for entitlement status as an urban county and pursued funds the Department of Housing and Urban Development's (HUD) Community Development Block Grant Program (CDBG). The program requires the County to submit a Consolidated Plan for a 5-year period, which addresses the specific housing and non-housing needs of low to moderate-income county residents.

Beginning in 1996 Community Development Block Grant Program entitlement communities were required to conduct analyses within their community of impediments to fair housing choices. This analysis is a review of policies and actions that may cause impediments to fair housing choices in Montgomery County.

B. HOUSING PROFILE AND DEMOGRAPHIC DATA

An inventory of the current demographic and housing market and conditions was undertaken in order to help identify impediments to fair housing in Montgomery County. Housing information was obtained from

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several sources including: (1) 2010 census data; (2) the Montgomery County Consolidated Plan; and (3) the 2012 Montgomery County Consolidated Action Plan.

Conroe is the county seat for Montgomery County and is centrally located within the 1,077 square miles of the County. Montgomery County has experienced growth for several decades, as has the entire Houston area. This is evident by looking at recorded census over the past thirty years.

Population Estimates (Source: Census.gov)

	Conroe	Montgomery County	Houston	Texas
2010	56,207	455,746	2,099,451	25,145,561
2000	36,811	293,768	1,953,631	20,851,820
1990	27,610	180,394	1,630,672	16,986,510

It is expected that this population growth will continue to occur. In fact, the adjusted growth population is currently reflecting a count of 471,734. As the population continues to grow, the need for new housing will also continue to increase.

The U.S. Bureau of the Census defines a household as all persons who occupy a housing unit such as a house, an apartment, a mobile home, a group of rooms, or a single room. In 2011 the number of housing units in Montgomery County was 173,447.

The following table shows household data for 2007-2011:

Census.gov	2007	2008	2009	2010	2011
# of Total Rooms	5.8	6.0	5.9	5.8	5.7
Owner Occupied %	77.0%	74.7%	74.1%	74.4%	69.7%
Renter Occupied %	23.0%	25.3%	25.9%	25.6%	30.3%

The 2010 census provided Montgomery County with the following statistic information with regard to the housing supply in Montgomery County.

Total Housing Units, Montgomery County, Texas 2010

	<u>Total Units</u>	<u>Vacant</u>	<u>Owner Occupied</u>	<u>Renter Occupied</u>
<u>2010 Census.gov</u>	177,647	15,117	120,007	42,523

Multiple Listing Service (MLS) Activity for Resale Residential Units

<u>Year</u>	<u>Average Price</u>
2004	\$154,100
2006	\$212,200
2008	\$230,600
2010	\$231,600
2012	\$254,900

Given the 60% population growth the County has experienced in the past 8 years there is no indication that this trend will not continue. According to the Census Bureau, Montgomery County is the tenth (10th) fastest growing county in Texas and the fortieth (40th) in the nation. In fact, large commercial relocations into the county, involving thousands of workers, have increased in the past several years. Montgomery County remains a favorable destination for companies because of its proximity to Houston yet its seemingly higher quality of life. As builders in the area construct new housing units to target middle and upper income groups, the costs of purchasing a home will be driven up to meet demand. The low-income population will not only be more and more distanced from homeownership, but will also experience higher rental costs. The most vulnerable individuals in the county, extremely low-income subgroups such as elderly, minorities, single females with children and first time homebuyers, will also be the most negatively affected by the lack of affordable housing.

Damaged Housing

According to the 2012 Consolidated Action Plan demolition of derelict housing was prioritized to enhance neighborhood safety and eliminate slum/blight. Properties were cleared of all hazardous materials, wells and septic tanks were filled, abandoned houses were removed. In addition, before the houses were demolished, the County allowed the local SWAT team to practice on remote buildings to hone public safety skills. During 2012 fifteen residential homes were demolished using CDBG funds.

On September 13, 2008 Hurricane Ike damaged hundreds of homes in Montgomery County. After receiving over \$6.9 million from HUD, Montgomery County Community Development repaired/replaced fifty-seven homes in Montgomery County that received major damage from Hurricane Ike. In order to

"harden the stock" each destroyed home was replaced with a superior modular home on a concrete slab. The percentage of African Americans provided with new or repaired homes in this program far exceeds the percentage of African Americans in the general population. The Hurricane Ike program included demolition of 18 abandoned mobile homes, considered to be Slum and Blight.

Housing Condition

The largest populated area is The Woodlands which is a master planned community. The master plan has outlined where certain types of developments and housing can be located. There are provisions for affordable apartments in The Woodlands and those have seen some very successful developments built. The affordable housing units are dispersed throughout The Woodlands, effectively deconcentrating Section 8 voucher holders and minorities. South Montgomery County does have a cluster of affordable housing just outside The Woodlands, along the I-45 corridor. This multi-family housing is generally older and was built with tax credit funds. Since counties are not permitted to zone, this cluster of low income housing is more a negative result of NO policy than of a negative policy.

A second cluster of multi-family affordable housing is present on the south side of the City of Conroe. Since Conroe is a separate PJ, issues regarding this stand are more appropriately addressed in Conroe's Consolidated Plan.

HUD requires that each jurisdiction define the terms "substandard condition" and "substandard condition but suitable for rehabilitation". Montgomery County's definition of substandard condition is a housing unit, which does not meet Section 8 Housing Quality Standards (HQS). Housing units not suitable for rehabilitation are those units which do not meet Section 8 HQS and which cannot be brought into compliance with Section 8 HQS at a cost which is less than the value of the property (improvements only) on the most current Montgomery County certified tax roll.

The 2010 Census of Population and Housing provided some data that can be used to estimate the number of substandard housing units in the County. These data indicators include the number of housing units with incomplete kitchen facilities, with incomplete plumbing facilities, cost burdened units and crowded units with one or more people per bedroom. The estimate of the housing units in substandard condition may overestimate the number of substandard housing units in the county since the presence of one of these indicators does not preclude the presence of two or more indicators in the same housing unit. However, this estimate will not take into account the status of existing facilities, which although present may be in poor or inoperable condition.

50%-80% Area Median Income

Housing Problem	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Jurisdiction total	Percent with one or more housing problem by ethnicity
Jurisdiction as a whole	10005	10770	0	20775	48.16%
White	7090	7985	0	15075	47.03%
Black / African American	665	345	0	1010	65.84%
Asian	80	50	0	130	61.54%
American Indian, Alaska Native	40	50	0	90	44.44%
Pacific Islander	45	0	0	45	100.00%
Hispanic	1955	2245	0	4200	46.55%

80%-100% Area Median Income

Housing Problem	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Jurisdiction total	Percent with one or more housing problem by ethnicity
Jurisdiction as a whole	4035	8515	0	12550	32.15%
White	3010	6855	0	9865	30.51%
Black / African American	180	470	0	650	27.69%
Asian	135	95	0	230	58.70%
American Indian, Alaska Native	10	15	0	25	40.00%
Pacific Islander	0	0	0	0	0.00%
Hispanic	700	950	0	1650	42.42%

(Source: bud.gov/IDIS)

Cost of Housing

The median cost of a single family house or condo is \$165,300 up from \$95,600 ten years ago. Builders and investors are much more interested in constructing high ticket single family homes than affordable housing, particularly in the areas of Lake Conroe and The Woodlands. To date, the market and incomes in the county supports this type of construction. The median rent in Montgomery County is currently \$912.

Table of Housing Values

The following multi-family properties were built with tax credits offered by the Texas Dept. of Housing and Community Affairs reflect the demand for affordable housing that the county is experiencing.

<u>Name of Complex</u>	<u># of Affordable Units*</u>	<u>Vacancy</u>	<u>Waiting List</u>
Park Village	144	No	5 persons
Havenwood Place	63	No	6 persons
Timbermill	216	No	5 persons
Forest View	256	No	4 persons
Mission Wood	304	No	1 person
Landmark	200	Yes	N/A
Sky Top	192	Yes	N/A
Magnolia Trails	80	No	2 persons

*Number of affordable units may be different from total number of units in complex.

Although considered among the most affordable, at an average \$765 rental cost per month for one bedroom, the above properties require a minimum monthly income of \$1,740 from each of their tenants (1 person renting a 1 bedroom apartment) plus a \$200 deposit.

Value

	2010	2000	% Change
Below \$50,000	10,301	9930	+4%
\$50,000 to \$99,999	19,469	15,824	+24%
\$100,000 to \$149,999	22,672	4,739	+38%
\$150,000 to \$199,999	19,700	1,606	+11%
\$200,000 to \$299,999	20,524	554	+36%
\$300,000 to \$499,999	15,146	625	+23%
\$500,000 to \$1,000,000	6,317	99 (\$500,000 or more)	+63%
\$1,000,000 or more	1,500		

Low Income and Racial/Ethnic Concentrations

In this section, the areas within Montgomery County with high concentrations of racial/ethnic minorities and the areas with high concentrations of low-income families are described. Additionally, the terms "area

Housing Cost Burden

Table H.A reflects households which expend less than 30%, 30-50%, and greater than 50% of their income for housing. Further, data is provided to examine which, if any, of those ethnic groups have disproportionately greater need than the other ethnic groups in regard to the housing cost. The households without income are not computed for statistical purposes. Disproportionate need is given as those households which have ten percentage points or more level of need than that of the County as a whole. In 2013, the median income level for the County was \$66,200 according to the statistics furnished by the Houston Galveston Area Council.

Housing Cost Burden	< = 30%	30-50 %	>50%	No/Negative Income
Jurisdiction as a whole	101235	21525	15725	775
White	83875	15990	11230	540
African American	3520	1475	1015	40
Asian	1380	405	335	10
American Indian	255	35	180	0
Pacific Islander	4	19	20	0
Hispanic	11085	3345	2725	185

Public and Assisted Housing

Public Housing

There is no public housing in Montgomery County.

Section 8

Montgomery County Housing Authority administers approximately 367 Section 8 certificates. Of these, 75 are non-elderly disabled and 27 are family unification specialty vouchers. There are several apartment complexes which readily accept housing vouchers. As vouchers are the means of providing housing assistance, each household can select its own housing unit with the landlord's concurrence and after an official inspection as to its livability. There are many more vacant units in Montgomery County than there are vouchers but many of these are outside the affordability of many low income households. The supply of housing units available for choice is adequate. Because the Housing Authority keeps lists of complexes and allows the clients to choose the unit, the HIA does a good job of keeping voucher-holders racially and economically dispersed, and providing access to areas of higher opportunity.

Currently there are over 150 households on the waiting list for Section 8 vouchers, and according to the administrator, approximately 90% of tenants and those on the waiting list are single females with children.

The fair market rent that is used for the vouchers is:

<u>1 bedroom</u>	<u>2 bedroom</u>	<u>3 bedroom</u>	<u>4 bedroom</u>	<u>Median Rent</u>
\$765	\$945	\$1290	\$1595	\$912

Other Subsidized Housing

Section 202 (Supportive Housing for the Elderly and Disabled)

Montgomery County has four Section 202 projects, three of which are located in The Woodlands, Tamarac Pines has 300 units and currently was contracted with HUD to provide elderly housing for 20 years. The contract recently expired and is currently under annual renewal. The project does not have any vacancies and a 30-90 day waiting list. The second project is Copperwood Apartments which also has 300 units. It does not have any vacancies and has a 30-90 day waiting list. Like Tamarac, Copperwood's Section 202 contract will expired at the end of 20 years. The third is Harvestwood, which has 66 subsidized elderly housing units with no waiting list. Camelot Pines located in Conroe, consists of 72 units, which are 100% occupied, and a 6-8 month waiting list does exist.

Section 811 (Supportive Housing for Persons with Disabilities)

Independence Place (Tri-County) Seriously Mentally Ill-14 Units

Section 221 (d)(3) Multifamily Rental Housing for Moderate-Income Families)

There are no Section 221 program assisted units located in Montgomery County.

Section 236 (Interest Supplements on Renter and Cooperative Housing Mortgages)

There are no Section 236 program assisted units in Montgomery County.

FmHA Section 502

There are two FMHA Section 502 program assisted units located in Montgomery County. New Caney Oaks, White Oaks in East County, and two located in West County.

FmHA Section 515

There are no FmHA Section 515 program assisted units located in Montgomery County.

Homeless Facilities

The Montgomery County Homeless Coalition estimates there are approximately 470 or more homeless persons in Montgomery County on any given night. The 2013 Point in Time count revealed through a combination of all the Montgomery County School Districts, a total count of 629 homeless children are enrolled in local schools. The following section provides an inventory of services and facilities for

homeless individuals and families and those threatened with homelessness. The categories used to classify facilities are those recommended by HUD.

Emergency Shelters

Montgomery County's Women's Center
1600 Lake Front Circle
The Woodlands, Texas 77380
(281)292-4155

Total overnight capacity: Up to 65 women & children and victims of domestic violence.

The Salvation Army
304 Avenue E
Conroe, Texas 77301
(936) 760-2440

Total overnight capacity: Single men and women with children, 50 beds

East TX Dream Center
301 S 1st St
Conroe, Texas 77301
(281) 601-6800

Total overnight capacity: Program is 30 days initially, up to one year.
123 Women and children only. Facility opened in 2013.

Montgomery County Youth Services
4501 N. Frazier (Bridgeway Shelter)
Conroe, Texas 77303
(936)756-8682
(936)756-8683

13 bed facility for homeless youths between 15-21

No limit to duration of stay; youth are counseled until life-crisis is resolved

Transitional Shelters:

Healing Hands Ranch
15908 Bryan Ln
PO Box 1714
Wilho, TX
Total capacity:

52 beds available currently for men.
Program is a minimum of 30 days

Family Promise
PO Box 692
Conroe, Texas 77305
(936)441-8778

Provides maximum of 4 families temporary shelter for up to 90 days. Families take turns spending one week in a rotation of up to 13 churches.

Special Needs Facilities and Services

In the last five years Montgomery County Community Development has developed housing exclusively for special needs populations such as: persons with disabilities, persons with HIV/AIDS and their families, persons suffering from alcohol/drug addiction. Frail elderly persons with Medicaid are accepted in four area nursing homes, all are operating below capacity.

New Danville is a master planned community offering day programs and low-cost residential housing for high-functioning special-needs adults with mental retardation and related conditions such as autism or traumatic head injuries. Intellectually and/or developmentally disabled men and women can live, learn, work and be with their friends, both disabled and non-disabled, while a safe and caring environment encouraging independence and growth is provided. Open since 2007, the New Danville community currently serves a population of approximately 20 residents.

Bridgewood Farms is a 501(c)(3) non-profit organization founded in 1967. It serves teens and adults with intellectual disabilities and physical handicaps which prevent them from living comfortably in society on their own. Bridgewood Farms services provide a continuum of care, adult day services, residential services, vocational training, work experience, plus health, recreational, and exercise programs for adults ages 16 and older. Bridgewood Farms operates a day center on 53 acre facilities and currently has 4 homes for special needs people to live.

Children's Safe Harbor is a local agency whose mission is to protect and enhance the life of every child who has the courage to battle sexual and physical abuse. Families with diverse economic resources and varying cultural and ethnic backgrounds have utilized the services of Children's Safe Harbor. Both male and female children ranging in ages from 2 to 17 years have received the full array of services provided through this children's advocacy center. Children's Safe Harbor opened its doors to serve sexually and severely abused children in August 1998.

The Friendship Center was established in 1973 and is the only non-profit organization specifically dedicated to serving the needs and enriching the lives of seniors throughout Montgomery County, Texas. Core services include a variety of programs that seek to meet the social, physical and emotional needs of seniors 60 years and older. Those services include congregate dining, meals on wheels, daily activities, providing resources for senior services and limited transportation to and from doctor appointments.

Magnolia Trails-Senior Housing Community with 80 units. Seniors ages 55 and up live here. This is a tax credit property that was built in 2010.

The Psychiatric Emergency Treatment Center was opened by Tri-County Services in 2011 through a collaboration of funding efforts which include a CDBG from Montgomery County Community Development. The 12,000 square foot treatment center provides a comprehensive array of local services which treat adults with serious mental illnesses who are experiencing a mental health crisis. Providing local treatment may eliminate long drives, potential time in jail, additional strain on our crowded hospitals and the need for constable's deputies and other law enforcement personnel to leave their jobs in the counties they serve in order to provide transportation and act as an escort for the patients.

Barriers to Affordable Housing

This section describes the extent to which the costs or incentives to develop, maintain or improve affordable housing within Montgomery County's service area are affected by State, county, or local government public policies, as embodied in statutes, ordinances, regulations, or administrative procedures, and processes. An analysis was conducted of the ordinances in all 13 municipalities in Montgomery County.

Description/Assessment of Relevant Public Policies

The following discussion of the relevant public policies, which affect affordable housing in Montgomery County, is divided into different sections, The State of Texas, Montgomery County and local governments.

Public policies in Montgomery County and the cities within its jurisdiction are generally supportive toward affordable housing. There are no negative tax policies, land use controls or zoning ordinances that would impede affordable housing. There are building codes which are in place to insure adequate fire and safety. Fees and charges are minimal. There are no growth limits or policies that affect the return on residential investment. The regulatory barrier clearinghouse does not list any barriers for Montgomery County.

The State of Texas

Montgomery County has experienced high growth in the last 10 years with most of the growth occurring in the southern part of the county and within the boundaries of the City of Conroe, located in the northern portion of the county. Municipal Utility Districts (MUDs) provide most of the water and sewer service for new residential subdivisions. The districts finance water and sewer infrastructure for private development and have provided much of the growth in The Woodlands and other master planned communities. The State regulates the development of water and wastewater infrastructure in the counties through the Texas Natural Resources Conservation Commission. This entity allows water districts to provide financing for water and sewer improvements through the issuance of bonds, which obligate the district's future taxes for repayment of its indebtedness. The affordability of new housing is greatly affected by the costs associated with the provision and maintenance of water, sewer and other utility services and the related costs of the districts' indebtedness. The lack of water and sewer facilities in many areas of the county, especially in low-moderate income areas, is a major obstacle to the construction of new affordable housing.

Montgomery County

The County does not have any land use controls (zoning) and there is no countywide building code. The existing permitting process is limited to septic tanks and the evaluation of base elevations for flood control purposes. There are no public policies implemented by the County which are excessive, exclusionary, discriminatory or duplicative of other policies which may affect housing affordability in the County.

Montgomery County commits to limiting the concentration of its undesirable infrastructure improvements to residential areas where there is a concentration of "protected classes" residing.

Local Governments

Most of the County's local governments do not have localized building codes, although some do have zoning ordinances which may restrict building activities that may offer affordable housing.

C. DEVELOPMENT REGULATIONS

Zoning Regulations: Montgomery County has not adopted zoning.

Subdivision Regulations: Montgomery County has not adopted minimum dwelling size standards. The County does not charge any impact fee for residential development.

Building Codes: Montgomery County does not impose nor enforce building codes. Montgomery County requires new construction building permits and enforces state environmental.

D. PROPERTY TAX POLICIES

In 2012, the total tax rates for Montgomery County residents are as follows:

City of Conroe	\$0.4170
School District	\$1.2654
County	\$0.4745
College District	\$0.1219
Hospital District	\$0.0729
Total	\$2.3517

While the City of Conroe does not reflect all of the County tax rates, it can be used as an indicator of the various Cities throughout the County. The County cannot control the tax rates of the various other entities. County officials should be cognizant that the County's own tax rate is a major portion. In comparing tax rates of other selected cities in the general vicinity, the City of Conroe's tax rate is very favorable. These tax rates are illustrated below:

Conroe (pop. 58,972)	\$0.417
Galveston (pop. 48,444)	\$0.554
Bryan (pop. 77,321)	\$0.633

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Mansfield (pop. 56,368)	\$0.710
Huntsville (pop. 38,664)	\$0.420
Victoria (pop. 62,592)	\$0.605
Port Arthur (pop. 53,818)	\$0.792
Texas City (pop. 45,763)	\$0.425

The city also offers an elderly tax exemption of \$15,000 for residents over 65 and \$7,500 for disabled residents. The Conroe Independent School District offers a \$15,000 residential homestead tax exemption, \$15,000 elderly homestead tax exemption, and \$10,000 disability exemption. The County and hospital district offers only a \$35,000 elderly homestead tax exemption whereas the college offers a \$75,000 elderly homestead tax exemption. Other Cities throughout the County, such as The City of Montgomery, will have their own exemptions and variables, which may or may not be as favorable as the City of Conroe.

E. UTILITY RATES:

Montgomery County residential water rates are set by the San Jacinto River Authority (SJRA). The current SJRA rate as of 2013, is \$33.10, based on 10,000 gallons used.

According to the 2007 Utility Rate Survey, published by the Texas Municipal League (www.tml.org), the average residential water rates in cities responding to the survey is as follows:

Population 50,001 – 75,000	\$33.62
Population 30,001 – 50,000	\$33.39

Conroe's current residential wastewater rate, based on 10,000 gallons used is \$32.34. The Woodlands current residential wastewater rate, based on 10,000 gallons used is \$21.70. According to the 2007 Utility Rate survey published by the Texas Municipal League, the average residential sewer rates in cities responding to the survey is as follows:

Population 50,001 – 75,000	\$34.83
Population 30,001 – 50,000	\$33.27

In comparing the average water and sewer bills of the two largest cities in the county versus the state reported averages Montgomery County residents are very favorable and do not appear to be an impediment to fair housing. Rates do not appear to be associated with identified minority residential areas.

F. PUBLIC TRANSPORTATION

In 2007 the County undertook a citizen opinion survey regarding the need for developing a public transportation system. This survey provided a good sampling of the general opinion of the local public.

This survey was repeated in 2013. A total of 800 surveys were received through various means including internet, nonprofit agencies, minority churches, libraries and community centers. Respondents from each of the four precincts in Montgomery County indicated the desperate need for public transportation. The population public transportation may target will include the poor, elderly and people with disabilities. A local consulting firm which conducted several Focus Group Meetings in 2013 found the most common destinations would most often include doctor offices, grocery shopping centers, and work/school. Tri-County Mental Health Mental Retardation indicated 22-24% of their clients are "no shows" to doctor visits because of the lack of transportation.

Participants in the same 2013 Focus Group agreed that users of a public transportation system with a fixed route must be required to pay a fee to help defray the cost of its operation. The 1,077 square miles of Montgomery County territory and the fact that there is no public transportation makes mobility a priority issue for citizens throughout the County.

G. FAIR HOUSING COMPLAINTS AND DISCRIMINATION SUITS

Fair Housing complaints are received by the county's designated Fair Housing Liaison. The Fair Housing Liaison is responsible for the intake and processing of all housing complaints as well as implementation of the Fair Housing Plan activities and actions. While not expected to be an "expert" in Fair Housing Laws, at a minimum, the liaison will be familiar with the complaint process and federal and state laws which address Fair Housing. Records which show the date, time, nature of complaint, referrals and recommendations made in the complaint process(es) will be fully documented. A separate file will maintain a record of all housing discrimination complaint and follow-up actions. Records indicate the liaison documented complaints from two citizens in 2011 and four citizens in 2012.

II. IMPEDIMENTS TO FAIR HOUSING

Montgomery County formulated this new Analysis of Impediments in 2013. This Analysis is a hybrid of data from the Analysis of Impediments conducted by the State in 2012 as a result of concerns associated with the Hurricane Ike Housing Replacement program, and local data collection. Montgomery County has a Fair Housing Workgroup which meets regularly and addresses the action items in the County's Fair Housing Plan. As part of the update of the AI, Workgroup members conducted random telephone testing of multi-family complexes throughout the County, and conducted a detailed review of the public policies and codes available from the County and several of its small cities. Both responses are below.

Phone Testing

Dr. Michael Hayles contacted 7 Apartments and attempted to contact 5 other Apartments in Montgomery County.

The apartments actually contacted were as follows:

Autumnwood - (936) 760-1919 - NO PROBLEMS - Apartments for Rent
Farrington - (281) 362-4100 - NO PROBLEMS - Apartments for Rent
Dominion - (936) 273-0404 - NO PROBLEMS - Apartments for Rent
Briar Crest - (281) 367-3866 - NO PROBLEMS - Apartments for Rent
Cricket Hollow - (936) 228-5700 - NO PROBLEMS - Apartments for Rent
Bently Manor - (936) 520-9892 - NO PROBLEMS - Apartments for Rent
Harvestwood Apts. - (281) 367-5611 - FOR SENIORS ONLY (62 and older)

Dr. Hayles indicated he "was pleasantly surprised by the overwhelming help [he] got from each apartment complex."

Cities Survey

Below are the results of a survey conducted of the cities of Montgomery County to determine which building codes they follow and their impact on persons with disabilities. The recently enacted 2012 Texas Accessibility Standards (TAS) are required by law and govern accessibility issues of persons with disabilities.

Montgomery County City Building Codes – Impact on Persons with Special Needs

As follow to the May 16th Fair Housing Workgroup Meeting Agenda Item 9c, Thompson Consulting conducted a survey of ALL Montgomery County City Building Codes to determine which building codes they follow to ensure they contain no accessibility barriers for individuals with special needs. They also spoke with the Chief Building Officer for the City for the City of Conroe (Mike Kirkwood) and the Director of Community Development for Montgomery (Eric Smith). The following is the information obtained from reviewing the city's web sites and telephone interviews.

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July 3, 2013

Conroe

The City of Conroe complies with the 2009 Edition of the International Commercial and Residential Code. Chapter 12 of that code relates to accessibility. Absolutely no barriers to accessibility are allowed for persons with special needs.

In discussions with Mike Kirkwood, he confirmed the building codes that the City of Conroe follow and that in March of 2012 the state implemented Texas Accessibility Standards (TAS) governing building accessibility for persons with disabilities. The City of Conroe has adopted these standards as required by law. All municipalities must comply with these standards.

In conversation with the Texas Department of Licensing and Regulation that administer the 2012 Texas Accessibility Standards, they indicated that this is a state standard that all municipalities must comply with. The standard contains scoping and technical requirements for accessibility to sites, facilities, buildings, and elements by individuals with disabilities. This is all related to the American with Disabilities Act which is a federal law.

Cut and Shoot

The City of Cut and Shoot complies with 2009 Edition of the International Commercial and Residential Code.

Magnolia

The City of Magnolia complies with the 2006 Edition of the International Commercial and Residential Code.

Montgomery

The City of Montgomery complies with the 2003 Edition of the International Commercial and Residential Code. They will comply with what the state requires. According to Eric Smith, Director of Community Development, they plan to adopt the 2009 Edition of the International Commercial and Residential Code.

Panorama Village

The City of Panorama Village complies with the 2009 Edition of the International Commercial and Residential Code.

Porter

Porter follows the same building code requirements as Conroe.

Roman Forest

The City of Roman Forest complies with the 2006 Edition of the International Commercial and Residential Code.

Shenandoah

The City of Shenandoah complies with the 2006 Edition of the International Commercial and Building Code.

Splendora

Splendora follows the same building code requirements as Conroe.

Stagecoach

The City of Stagecoach complies with the 2012 Edition of the International Residential Code. Commercial buildings are not allowed in Stagecoach.

Willis

The City of Willis complies with the 2009 Edition on the International Commercial and Residential Code.

Woodbranch and Woodloch

No response to telephone calls.

Other Barriers to Affordable Housing

Transportation is a barrier that has not been conquered yet in Montgomery County. Many meetings and discussions have been held with various officials yet no progress has been made. Residents who were recently surveyed spoke very strongly about their desire for public transportation to assist them in getting to and from places like grocery stores, doctor appointments, the local community college and community centers. As the population in Montgomery County continues to escalate the lack of transportation in the County will only become a bigger impediment for those low income citizens who have no mobility.

What new housing has been constructed has been for more affluent population groups and the lower price affordable housing construction has been virtually ignored by the private sector. Builders have more interest in investment in moderate to upscale housing which is in high demand in Montgomery County. The latest 2010 census data shows a significant increase (136%) of homeowners who have purchased homes valued at \$200,000-299,999 and a tremendous increase (+63% since 2000) of homeowners who have purchased upscale homes valued at over \$300,000. South Montgomery County and The Woodlands area have experienced tremendous growth in population in the past ten years. That growth has sparked a tremendous amount of new construction although the new construction has been priced far out of the reach of a low-income family.

Affordable housing in Montgomery County is lagging greatly. Montgomery County has enhanced construction of affordable housing based on the numbers reflected in the new census data. Lower cost housing has also been affected and the results can be seen by 2010 census data as well. There are 168 people on the waiting list for a housing voucher. This number is a reflection of the lack of affordable housing in this county. There are many more vacant units in Montgomery County than there are vouchers but many of these are outside the affordability of many low income households. Approximately 90% of tenants and those on the waiting list are single females with children. Increasing development standards

raise the cost of housing which makes it harder for low income families to ever become homeowners. The lack of water and sewer facilities in many areas of the county, especially in low income areas, is a major obstacle to the construction of new affordable housing. Individuals who are disabled will continue to be so and the elderly will only become more elderly or die. As the County continues to grow and the population continues to age, there will be more need for affordable housing for the elderly and disabled as well as the poor.

I. RECOMMENDATIONS

Specific recommendations are presented below in order to help alleviate impediments to fair housing.

1. Support transit initiatives. Montgomery County participates in regional transit and mobility planning.
2. Preserve existing Low-Moderate housing by continuing to provide a rehab/replacement program for eligible homeowners. Continue using Community Development Block Grant (CDBG) funds for rehabilitation/replacement programs.
3. Build affordable housing for elderly and disabled using CDDO's and non-profits.
4. Fund match for developers who are competing in the statewide tax credit multifamily competition.
5. Construct housing for homeless.
6. Continue to demolish slum/blight residential property to improve quality of life in low income neighborhoods.
7. The Fair Housing Advisory Committee will continue to meet up to two times annually to discuss Affirmatively Furthering Fair Housing issues.
8. The Fair Housing Advisory Committee will discuss any impediments discovered through complaint calls received by the designated Fair Housing Liaison. ALL phone calls are documented and any patterns or consistency in discrimination will be acknowledged and discussed during the semi-annual meetings.
9. Through the Montgomery County Housing Authority (MCHA), offer landlord trainings on housing discrimination. Tenants are provided pamphlets on housing discrimination and encouraged to inform their Case Manager of any events they feel are discriminatory.
10. Through the MCHA, educate tenants and landlords on violence against women.

Montgomery County has committed to enacting all recommendations.

APPENDIX G:

FIRST TIME HOMEBUYER ASSISTANCE PROGRAM GUIDELINES AND APPLICATION

Revised 5/13

**HOME INVESTMENT PARTNERSHIPS PROGRAM
(HOME)
POLICIES AND PROCEDURES**

**HOME Investment Partnerships Program (HOME)
Policies and Procedures**

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I. PURPOSES AND GOALS

The HOME Program's purposes and goals are to:

(1) Expand the supply of decent, safe, sanitary, and affordable housing for low and very low-income residents of Montgomery County, Texas;

(2) Mobilize and strengthen the abilities of local organizations and Community Housing Development Organizations (CHDOs) to implement strategies for achieving an adequate supply of decent, safe, sanitary, and affordable housing;

and

(3) Provide participating entities, on a coordinated basis, with various forms of federal housing assistance.

Montgomery County Community Development (MCCD) will focus on the purposes and goals listed below. The priorities are outlined in more detail in the Montgomery County Consolidated Plan and its corresponding Annual Action Plan.

Housing Stock:

Assist in the preservation of existing or construction of decent, safe, sanitary, and affordable housing.

Affordability:

Increase or improve the stock of affordable rental units and the affordability of homeownership.

Greatest Need:

Give preference to those projects which serve the lowest income residents, which may include elderly and physically or mentally disabled residents needing assistance. Address housing needs for minority and special needs populations and assist in building local capacity to meet those needs. A Market Analysis will be required to determine need.

Essential Financing:

Allocate only the minimum amount of HOME funds that MCCD determines to be necessary for the financial feasibility of the project and its viability as a qualified affordable housing project throughout the period of affordability. Give preference to projects which provide the greatest number of qualified affordable units relative to the HOME funds allocated. A Financial Analysis will be required for project requests exceeding \$75,000.

Access to the HOME Program:

Provide opportunities for qualifying local organizations and CHDOs to access the HOME Program on behalf of low and very low-income residents.

Innovation:

Encourage innovative approaches in planning, design, construction, energy efficiency, and financing which are cost-effective in providing affordable housing. Address housing environmental hazards, such as lead-based paint, asbestos, and black mold.

Leverage Private Sector Funds:

Maximize the investment of private capital to leverage HOME funds and use existing agencies and private sector mortgage financial institution resources, while retaining the affordability of housing with local and private investment.

In accordance with these stated purposes and goals, MCCD will only process applications consistent with the purposes and goals of these Guidelines and the Department's Consolidated Plan. Applications may be from individuals requesting assistance for personal homes (in the case of housing rehabilitation and reconstruction), or from organizations requesting funding to develop housing, rehabilitate or reconstruct client homes, or provide downpayment assistance.

In cases where the Applicant is an organization, MCCD will consider the capacity of the Grantee, its management team, and the availability of contractors and subcontractors in assessing the viability of each proposed project. Capacity determinations include a requirement that the organization have paid staff (no all-volunteer organizations); experience with similar projects or similar sized projects; financial capacity; political will, and the ability to demonstrate sustainability of the project over the course of the Affordability Period.

II. POLICIES AND PROCEDURES

MCCD is responsible for the administration of the HOME Program in accordance with Title 24 Code of Federal Regulations Part 92. The HOME Program Application Guidelines provide a system for the allocation of HOME funds. Funding under the Guidelines is available throughout Montgomery County, with the exception of Conroe, which intends to receive allocations of HOME funds directly from HUD. Except where noted, when MCCD intends to carry out projects in house, it will abide by the Guidelines set forth for other Grantees.

A. APPLICATION DEADLINE

When an announcement of availability of funds is made, Grantee applications must be received at the MCCD office in Conroe or be postmarked on or before the posted deadline date. Full applications by facsimile will NOT be accepted.

Applicants must deliver one (1) original and one (1) complete copy of the application to:

Montgomery County Community Development
501 N. Thompson, Suite 200
Conroe, Texas 77301

Applications become the property of MCCD and will not be returned. Successful applications are loaned to potential applicants upon request, minus financial and audit

information. Inaccurate information contained in an application will disqualify the Applicant from consideration. The Minimum Threshold Requirements for each HOME Application are included in the Ranking Criteria. Applicants who fail to meet any minimum threshold requirement will not be considered for funding.

Minor corrections to applications may be allowed, but applications requiring substantial revision or which are substantially incomplete will not be reviewed or ranked.

In general, Montgomery County releases applications one time per year, usually in late January, to initiate the application process for funds to be available the following October 1. Applications generally must be submitted by the end of March. Eligible applicants are required to present an oral presentation of the project before the Advisory Committee, during a public hearing, usually in April. Decisions for funding are generally made by June.

B. ALLOCATION

MCCD will distribute funds throughout eligible areas of the County. The Uniform Application and HOME-specific ranking criteria are designed to ensure that only projects which can be completed in a timely manner will be approved.

A minimum of 15 percent of the total HOME funds is available only to MCCD-certified CHDOs performing HOME CHDO-eligible activities. A CHDO is a nonprofit entity that has received a tax-exempt ruling under sections 501(c)(3) and (4) of the Internal Revenue Code of 1986, and is certified by MCCD as meeting the CHDO requirements contained in Exhibit I. Recertification occurs annually, or at funding.

If all funds are not awarded, remaining funds will be retained and either used by the department for in-house projects or allocated in the next funding cycle. Funding will be available to all local nonprofits and CHDOs within the County who can demonstrate at least one year of operational experience. MCCD reallocation of unused funds may result from:

- uncommitted current fiscal year funds;
- unexpended or uncommitted funds from previous grant awards;
- program income returned to the County; and/or
- funds withdrawn from a tentative grant commitment when an Applicant is unable to fulfill the required contract conditions, including securing final commitments of all funding sources.

C. MAXIMUM GRANT AMOUNT

When allocating funds, HOME considers the total amount of assistance from both public and private sources needed to ensure project feasibility. There is no cap on the amount of HOME funds a single entity may request, however MCCD reserves the right to make partial and/or staged multi-year awards. Requesting funds for administration is not allowed, however Applicants may request project dollars for administration-related soft costs for the following housing activities:

New construction

Tenant Based Rental Assistance (TBRA)

Acquisition

Rehabilitation

Homebuyer Assistance

All HOME costs (including soft costs) must be tied to specific housing addresses.

Applicants should request only the minimum level of funding necessary to carry out their programs. Grant requests must be sufficient in combination with other proposed funding sources, to complete the proposed activities within the contract period. The contract period lasts 48 months from the date the MCHD Director signs the contract. In the case of multi-year funding, the project must be complete within 48 months from the date of the first contract year.

An Applicant submitting or receiving a relatively small grant request should consider whether the proposed activities would result in high administrative-related costs relative to the total program cost.

A HOME application must include:

1. A completed Uniform Application
2. An oral presentation
3. Adequate supporting documentation.

Applicants may obtain both the Uniform Application form and the HOME ranking questions electronically from MCHD.

D. ELIGIBLE APPLICANTS

Each eligible Applicant may submit only one application in each annual HOME grant competition. (In-house projects performed by agencies collaborating with MCHD are not considered when determining eligibility for application.)

HOME entitlement cities receive HOME funds directly from HUD and, as such, receive and process all HOME applications for projects within their city limits. Entitlement cities are not eligible Applicants for MCHD HOME.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)

CHDOs are MCHD-certified organizations that are incorporated as nonprofits under State of Texas law. A CHDO must demonstrate staff capacity and development in order to retain CHDO status; a CHDO may not subcontract all program-related duties on a continual basis. CHDOs can apply for HOME grant funds to complete eligible development, ownership, and sponsorship housing projects within their jurisdiction. Such activities include new construction of multi-or single-family housing, acquisition of multi- or single-family housing, and rehabilitation of multi- or single-family housing owned by the CHDO in conjunction with acquisition of multi- or single-family housing. Exhibit 1 contains a chart of eligible CHDO activities.

CHDOs are also eligible to participate in non-CHDO housing activities.

According to HUD regulations, tenant-based rental assistance, homebuyer assistance (where the CHDO does not hold title to the property at some time during the grant period, immediately prior to the new homeowner) and homeowner rehabilitation projects are not considered CHDO-eligible activities. A CHDO may apply for funds to perform a non-CHDO activity, but would not receive special consideration for the 15 percent set-aside funds. The activities of a CHDO in connection to its role as a subcontractor or collaborator in the Montgomery County Housing Rehabilitation Collaborative or other internal departmental projects are not subject to the CDBG public service set-aside or the HOME CHDO set-aside.

CHDOs must submit, with their application, a letter from the unit(s) of local government for the political jurisdiction in which the HOME activities are proposed. The letter must state the local government is aware of the proposed CHDO housing project and the project is consistent with local comprehensive plans and zoning ordinances. A CHDO administratively headquartered in an entitlement city may propose a project within its operational area and compete for MCCD HOME funds, as long as the proposed project is not within the entitlement city limits or jurisdiction.

JOINT APPLICANTS

Joint Applicants (two or more eligible Applicants) may submit an application under the following conditions:

- the problem to be addressed lies in an area of contiguous jurisdiction;
- the solution to the common problem clearly requires cooperative action and is the most efficient strategy;
- the joint Applicants do not apply for another HOME grant, jointly or separately, during the same grant competition; and
- one joint Applicant is designated as the Lead Applicant during the term of the HOME project and period of affordability. The Lead Applicant must accept full responsibility for application submission and for administrative, regulatory, and financial management requirements.

E. ELIGIBILITY REQUIREMENTS

Grantees (including all entities of a joint application) currently administering a HOME grant are eligible to reapply for an additional HOME grant in a subsequent year if:

- the Grantee is in compliance with the project implementation schedule contained in its active HOME contract with MCCD;
- there are no unresolved audit, monitoring, or performance findings for any previous HOME grant award to the Applicant;
- the Grantee with an open grant has 75% of the project funds drawn down; and
- all projects over four years old are completed and are conditionally closed out before applying for additional funds.

F. DISCLAIMERS

MCCD reserves the right to reserve and allocate HOME funds to any project. MCCD may deny HOME funds for any project, regardless of the ranking score under the project selection criteria, if it determines, in its sole discretion, the project is unacceptable based on, but not limited to the following:

- negative comments on or lack of support from officials of local governmental jurisdictions,
- information that a particular market is saturated with affordable housing projects,
- the likelihood that the project may not comply with HOME program requirements in a timely manner, or
- the Applicant's (including any related party's) lack of or unacceptable prior experience and performance related to compliance with housing assistance or other government-sponsored programs, regardless of type and location.

If MCCD determines not to award HOME funds on such basis, it will set forth the reasons for such determination.

All funding decisions made under these Guidelines shall be made solely at the discretion of MCCD. MCCD in no way represents or warrants to any Applicant, investor, lender, or any other party that a proposed project is, in fact, feasible or viable.

MCCD reserves the right to place special conditions on projects.

MCCD reserves the right to modify or waive, on a case-by-case basis for good cause, any condition of these Guidelines that is not mandated by the 24 CFR Part 92.

MCCD reserves the right to exchange information with other state and federal allocating agencies and with other parties as deemed appropriate. By submitting an application for HOME funds, the Applicant is acknowledging and agreeing to this exchange of information.

If HOME funds are expended on a project that is terminated before completion, the expended funds must be repaid.

No executive, employee or agent of MCCD or any other official of Montgomery County shall be personally liable concerning any matters arising out of, or in relation to, the allocation of HOME funds or the approval or administration of these Guidelines.

G. DEFERRAL TO FEDERAL LAW

To the extent that anything contained in these Guidelines does not meet the minimum requirements of federal law or regulation, such law or regulation shall take precedence over these Guidelines.

III. GENERAL REQUIREMENTS

A. ELIGIBLE ACTIVITIES

HOME funds may be used to develop and support homeowner and rental opportunities. Regardless of the type of activity applied for, expenditures must begin within 12 months of contract, and all project funds must be expended within 48 months.

An Applicant may choose to apply for more than one activity; however, each activity must be able to stand on its own, and be associated with the same project. This means that all ranking criteria must be addressed for each activity.

At the discretion of MCCD and where allowable under federal law, eligible activities and their corresponding costs allowed under HOME may include:

Homebuyer Assistance:

- Costs related to assisting qualified homebuyers in purchasing a home, including those related to down payment and closing cost assistance.

Homeowner Rehabilitation:

- Costs related to the rehabilitation of owner-occupied housing including costs to make essential improvements including energy-related repairs or improvements, modifications necessary to permit use by persons with disabilities, the abatement of lead-based paint hazards, and to repair or replace major housing systems in danger of failure. Each house rehabilitated with HOME funds must be brought up to applicable property standards.

New Construction:

- Costs to construct either single-family or multi-family housing, including costs to meet the new construction standards in effect at the time a building permit is obtained from the locality.
- Costs for improvements to the project site that are comparable with the surrounding standard developments, and costs to make utility connections including off-site connections from the property line to the adjacent street. Site improvements may include sewer and water lines necessary to the development of the project. The project site is the property, owned by the project owner, upon which the project is located.

Tenant-Based Rental Assistance

- Costs to provide rental assistance and/or security deposits to families for a period not to exceed 24 months.

Acquisition

- Costs to acquire an existing multi- or single-family structure that may or may not require rehabilitation.
- Costs for acquisition of existing affordable housing in need of rehabilitation and requiring financial assistance to maintain the affordability of the project.
- Costs for acquisition of vacant land will be undertaken only in conjunction with a specific housing project intended to provide affordable housing under this program and for which construction funds have been committed before the commitment of HOME funds to the acquisition. Land banking (purchase of land on speculation of construction) is not permitted.

B. INELIGIBLE ACTIVITIES

1. Tenant-based rental assistance for the special purposes of the existing Section 8 Program.
2. Non-federal matching contributions required under any other Federal program.
3. Assistance authorized under Section 9 of the 1937 Act (Public Housing Capital and Operating Funds) or activities authorized under 24 CFR Part 968 (Public Housing Modernization).
4. Assistance to eligible low-income housing under 24 CFR Part 248 (Prepayment of Low-Income Housing Mortgages).
5. Assistance to a project previously assisted with HOME funds during an existing affordability period.
6. Operating subsidies.
7. Project reserve account.
8. Assistance to ineligible properties such as commercial properties (to be used solely for commercial purposes), temporary shelters, emergency shelters, and student housing.
9. Acquisition of property owned by the Grantee, unless it is in anticipation of carrying out a HOME project by an eligible Applicant.
10. Emergency repair program costs.
11. Assistance to pay for any costs that are not eligible under project costs, administrative and planning costs, operating costs, and tenant-based rental assistance costs.
12. Monitoring, servicing, and origination fees for HOME-assisted projects.

C. PROJECT PERIOD OF AFFORDABILITY

Period of affordability refers to the length of time HOME assisted units must remain affordable. Deed restrictions or covenants running with the land (LURA) or other approved mechanisms will ensure the period of affordability, depending on the amount of HOME dollars invested per unit in the project. After the required affordability period, the property may be sold without HOME restrictions. The following table outlines the minimum affordability periods:

HOME Investment per Unit	Length of Affordability Period
Less than \$15,000	5 Years
\$15,000 - \$40,000	10 Years
More than \$40,000	15 Years
New construction of rental housing	20 Years
Refinancing of rental housing	15 Years

Owner-occupied rehabilitation projects: Since the intent of the program is to create affordable housing units, MCCID requires a five-year period of affordability for owner-occupied rehabilitation projects. Such a requirement serves to protect the County's HOME investment and discourage "fix and sell" opportunists.

Multi-family projects: During the period of affordability, the property owner must re-verify tenant income at least annually through an approved verification method. Additionally, a certain number of units must be inspected periodically to ensure the units are decent, safe, and sanitary. Housing must be maintained in compliance with applicable

State or local housing quality standards. If there are no such standards, the housing must meet the housing quality standards in 24 CFR 982.401 (HQS), attached as Exhibit 4 to this document. Subrecipients are responsible for timely inspection and remediation of noncompliance, and must forward the annual inspection reports to MCCD. In addition, HOME program staff will perform random on-site inspections throughout the period of affordability. The frequency of on-site inspections depends upon the total number of project units (not just the total number of HOME units within the project):

one to four units, every three years;
five to twenty-five units, every two years;
26 or more units, annually.

D. MINIMUM AMOUNT OF ASSISTANCE

The minimum amount of HOME funds invested in any project is \$1,000 for each HOME-assisted unit in the project.

E. SUBSIDY LAYERING GUIDELINES

For those projects which combine HOME and other government subsidies, MCCD must perform a subsidy layering review to ensure that government subsidy is not excessive in accordance with HUD CPD Notice 98-01, dated January 22, 1998. A copy of this notice is attached at the end of these guidelines, as Exhibit 2.

F. TENANT RELOCATION AND DISPLACEMENT

MCCD will not allow permanent displacement of current residents of any project funded with HOME funds. All residential tenants in place prior to the submission of an application through the completion of the proposed construction and issuance of the certificate of occupancy are candidates for assistance under this provision, found in 24 CFR 92.353. If there are existing residents who are not eligible for the program, the owner may request HOME assistance for vacant units or those occupied by eligible tenants only. Owners of developments with tenants in place prior to submission of the application MUST comply with Federal Relocation Requirements found in 24 CFR 92.353.

Applicants are encouraged to notify MCCD before proceeding with an application to ensure that proper procedures are followed. Improper procedures may substantially increase the costs to the project or render the project infeasible. The project owner will pay relocation payments and other relocation assistance, including replacement-housing costs, moving expenses, and reasonable out-of-pocket costs incurred in the relocation of persons.

G. MATCH

HOME Program subrecipients must contribute to qualified housing in an amount equal to at least twenty five percent (25%) of HOME project funds. These contributions are referred to as match.

A match amount equaling twenty five percent of project funds is a minimum threshold requirement. During the ranking process, an Applicant's proposed match will be compared to other applications submitted. Before submitting an application, an Applicant MUST consult with HOME Program staff at (936) 538-8060 to determine if its proposed match source is eligible and request, in writing, a letter (or e-mail) from MCCD confirming match eligibility. The written request for confirmation must include the specific dollar amounts for all proposed sources of match, and the amount of HOME funds to be requested. The Applicant must submit the confirmation letter from MCCD in its grant application. Applicants must clearly document proposed matching contributions or HOME will not consider the grant application for ranking.

To be considered eligible match, a contribution must be made from nonfederal sources and must be made to housing that is assisted with HOME funds. Refer to Matching Contribution Requirements, found in Exhibit 3.

H. CONSOLIDATED PLAN

HOME Program participants must submit proposals that are consistent with the Montgomery County Consolidated Plan. Before submitting an application, an Applicant MUST consult with the director of Community Development at (936) 538-8060 to determine if the proposed project is consistent with the Consolidated Plan. The Applicant must request, in writing on the Applicant's letterhead, a Certificate of Consistency with the Consolidated Plan. The Applicant must submit a copy of the MCCD Certificate of Consistency in its application. Requests for a Certificate of Consistency should be made at least one week in advance of the application due date.

I. CITIZEN PARTICIPATION

MCCD is required to provide citizens adequate notice and opportunity for involvement in the planning and development of HOME projects. MCD will:

- Hold a minimum of one public hearing or meeting within two months before selection of an application. The purpose of the public hearing or meeting is to solicit public comment on community housing needs and priorities and to discuss the HOME program as a potential source of funding. MCD will give due consideration to all comments before funding projects.
- Submit to HUD a record of any public hearings or meetings and copies of the public notices for the hearings or affidavits of publication for the notices, held in relation to the application for HOME funds. The names of persons who attended and a summary of comments by local officials and citizens will be included.

Formal public notice will be provided before public hearings are held. Advertisement for public hearing will be published three times in the newspaper with the widest local readership, in a Spanish language newspaper, and posted at the county Courthouse and in community centers throughout Montgomery County. Hearings will be held at times and locations convenient to potential beneficiaries and in a facility that is physically accessible for persons with disabilities.

J. MARKET ANALYSIS

Applicants must document the need and potential market for any proposed rental project. Applicants may use information provided in the most recent Market Analysis conducted by MCHD (included in the current 5-Year Consolidated Plan) but are strongly encouraged to conduct their own market analysis prior to undertaking a homebuyer assistance or homeowner rehabilitation program. Differing levels of analysis are required to determine the need and market for any given project depending on the type and complexity of that project. As with any investor, the higher the risk involved with a project, the more analysis the HOME Program will require with an application. This suggests that there is a spectrum of analysis ranging from a formal market study for newly constructed multi-family rental housing to minimal market analysis for tenant-based rental assistance.

At the base of any market analysis is a housing needs assessment, which is often a survey done as part of a broader community needs assessment. The results of a housing needs assessment should be analyzed for direction, rather than just tabulated for reporting. This analysis should identify a list of housing needs with a corresponding list of opportunities for meeting those needs.

After the list of needs and opportunities is identified, the Applicant must analyze the market to identify a specific potentially feasible project and provide a greater level of detail about that project's market potential. The Applicant should identify the specific demand for a project in terms of who would want to participate in the proposed project, and who would have the capacity and qualifications to do so.

A market analysis will answer a variety of questions and document the market for a specific project. The Market Analysis may be in any format the Applicant desires, but should include the following components:

1. Must be specific to the neighborhood market from which prospective clients will be drawn (not general to a region or state)
2. Must demonstrate need and consistency with priorities of the Consolidated Plan
3. Show housing demand, demographic trends, housing supply, construction trends, and vacancy rates
4. In the case of homebuyer units, demonstrate that the units can be sold within 6 months of construction.
5. In the case of rental units, demonstrate that the units can be leased up within 18 months of construction.
6. Analysis of impact on existing affordable housing developments.

K. ENVIRONMENTAL REVIEW

The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58 and any applicable State regulations. Applicants must include a narrative demonstrating an initial, informal evaluation of environmental circumstances that may affect the proposed project and to raise awareness of possible problems. MCHD will conduct the official Environmental Review if the project is selected for funding.

L. LEAD-BASED PAINT (LBP)

Housing that is built prior to January 1, 1978 and is assisted with HOME funds constitutes HUD-associated housing for the purpose of the Lead-Based Paint Poisoning Prevention Act and is subject to 24 CFR part 35. Unless otherwise provided, subrecipients are responsible for inspection, testing, interim controls or abatement, and clearance activities. MOCDD will assist with this process.

LBP regulations do not apply to:

- housing built after January 1, 1978;
- property that has had all LBP removed and/or has been found to be free of LBP by a certified LBP inspector;
- housing designated (in the lease or residency agreement) as exclusively for the elderly or persons with disabilities, unless a child under 6 years of age resides or is expected to reside in the unit. This exemption does not include owner-occupied single-family housing; *and*
- any zero-bedroom dwelling, including efficiency apartments and single-room occupancy housing.

The lead hazard regulations are particularly pertinent for projects conducting rehabilitation, acquisition, and/or TBRA. Required lead hazard reduction activities are based on the HOME investment per unit, excluding the cost to address any LBP hazard. Refer to Exhibit 6 for details regarding the process for complying with LBP regulations.

Tenant Based Rental Assistance (TBRA) projects have specific requirements for assistance to families or households that have one or more children under the age of six. These requirements are:

- Notification,
- Lead hazard evaluation,
- Lead hazard reduction,
- Ongoing maintenance; *and*
- Responding to children with environmental intervention blood lead levels. Refer to Exhibit 7 for details regarding the process for complying with LBP regulations relative to TBRA programs.

Applicants applying for HOME funds to implement homeowner rehabilitation, homebuyer assistance or a tenant-based rental assistance program must demonstrate an understanding of LBP regulations and have a process in place to provide satisfactory compliance with the LBP regulations. The HOME program will thoroughly review the Applicant's written policies and guidelines in its management plan, and assess its ability to provide the necessary personnel and the qualified contractors. Applications for programs that require LBP policies will not be funded unless detailed policies are provided in the application.

For housing that has been kept in good repair and, upon a visual assessment, does not have deteriorated paint (cracking, scaling, chipping or peeling), LBP is not considered a hazard, unless surfaces will be disturbed during rehabilitation activities. A visual assessment certification is obtained by completing the HUD certified on-line training at:

<http://www.hud.gov/offices/lead/training/visualassessment/h00100.htm>

M. CONTRACT OPPORTUNITIES TO MINORITY AND WOMEN-OWNED BUSINESSES

Affirmative steps will be taken to assure that minority and women-owned businesses are used, when possible, as sources of supplies, equipment, construction, and services. An Applicant's Management Plan should contain a plan to take such affirmative steps, including but not limited to: providing outreach to prospective homebuyers/tenants who are minorities or underserved populations. MCCD will take affirmative steps including but not limited to: advertising for bid on supplies, equipment and services in publications of general circulation, identifying local minority and women-owned businesses and sending bid packets to them, and encouraging minority and women-owned businesses to apply in the language of the bid announcements.

N. CHDO DEVELOPMENT FEE

MCCD certifies CHDOs to own, sponsor, and develop affordable housing. The development fee aids the nonprofit in its ability to grow and develop affordable housing and help continue the organization's operating capacity.

Certified CHDOs, applying for a CHDO-eligible activity, may receive a development fee in addition to applicable soft costs. The maximum development fee allowable is equal to 10 percent of the HOME project funds being requested. The development fee is incorporated into the total HOME cost for a project and the funds are associated with the current project address(s). MCCD will not use a development fee in the provision of in-house HOME-funded services.

HOME funds will not duplicate or supplement other sources of funding. Projects receiving Low Income Housing Tax Credit (LIHTC) proceeds or other funds that already have access to a developer fee may not include a HOME-funded development fee as part of the HOME-eligible project costs.

Development fees will assist the CHDO by providing seed money to help develop a new CHDO-eligible HOME project. The development fee will not supplement the current project, as CHDOs will receive the development fee upon completion of the current project.

NOTE: CHDOs will receive the development fee once to help grow and develop affordable housing in their jurisdictional area. Future development fees are contingent upon the CHDO submitting another fundable application to the HOME program within three years.

O. PROGRAM INCOME AND CHDO PROCEEDS

Program Income is any repayment, interest earned and return on any investment of HOME funds during the applicable period of affordability. CHDO Proceeds are funds generated from CHDO-eligible activities. Once CHDO proceeds have been reported and

used once on HOME-eligible activities, there are no further HOME requirements. Generally, MCCD allows Program Income to be retained by the CHDO or HOME subrecipient.

P. CONFLICT OF INTEREST REQUIREMENTS

Participants in a HOME project may have possible conflicts of interest, either individually or in connection with a family member or relative, that precludes them from participating in the program. HUD may grant an exception on a case-by-case basis.

Only MCCD may request an exception to a conflict of interest of HUD, and only after complete disclosure of the nature of the conflict at an advertised public hearing held for that purpose. The County Attorney's Office must issue an opinion that the interest for which the exception is sought does not violate federal, state, or local law. HUD will then review the information concerning disclosure, public hearing, and attorney's opinion.

MCCD reserves the right not to request exceptions from HUD when deemed not in the best interests of the Department or County.

IV. PROGRAMS

A. RENTAL HOUSING

1. HOME Rents

Every HOME-assisted rental unit is subject to rent limitations designed to ensure that rents remain affordable to low- and very low-income tenants. These maximum rents are referred to as HOME Rents and are provided by HUD per 24 CFR Part 92.252. There are two HOME Rents established for projects: High HOME Rents and Low HOME Rents.

In rental projects with five or more HOME-assisted units, very low-income families must occupy twenty (20) percent of the HOME-assisted units and pay low HOME rents, as defined below.

Refer to the following for current HUD HOME Program Rents:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/index.cfm>

The HOME rent limits provided by HUD include average utility allowances. HUD updates these limits annually in February or early March.

a. High HOME Rent

The maximum HOME rents are the lesser of:

- 1) The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
- 2) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit.

b. Low HOME Rent

Low HOME rents meet one of the following rent requirements:

- 1) The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the area median income, as determined by HUD, with adjustments for family size. HUD provides the HOME rent limits, which include average occupancy per unit and adjusted income assumptions.
- 2) The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Regardless of these rent maximums, consideration must be given to keeping the established rents at or below the actual market rent in the community of the proposed property to ensure marketability.

c. Utility allowances

HOME rents include utility allowances. The HOME Program utilizes Section 8 utility allowances. For all units subject to the maximum rent limitations in paragraphs (a) and (b), of this section for which the tenant is paying utilities and services, the Applicant must ensure that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services.

d. Rent Adjustments

MCCD will review any increase in rents to HOME-assisted units. The owner MUST have received MCCD approval and provide a 30-day written notice to tenants prior to any increase in rents. If the published HOME rent decreases for projects for which HOME funds have been previously committed, an owner may continue to use the rents in effect at the time of project commitment.

2. Occupancy Requirements

a. At initial occupancy, rental housing will qualify as affordable only if the project meets the following occupancy standards:

- 1) Households with annual incomes that are 50 percent or less of Area Median Income (AMI) must occupy at least 20 percent of the HOME-assisted rental units. Rents for these units must not exceed the Low HOME Rents as described in the previous section.
- 2) Households with annual incomes that are 60 percent or less of AMI must occupy at least an additional 70 percent of the HOME-assisted rental units. Rents for these units must not exceed the High HOME Rents as described in the previous section.
- 3) Households with annual incomes that are 80 percent or less of AMI must occupy the remaining 10 percent of the HOME-assisted rental units. Rents for these units also must not exceed the High HOME Rents as described in the previous section.

b. Subsequent occupancy of rental housing, for the duration of the period of affordability, must meet the following occupancy standard to qualify as affordable:

- 1) Households with annual incomes that are 50 percent or less of AMI with unit rents at or below the Low HOME Rent must continue to occupy at least 20 percent of the HOME-assisted rental units.
- 2) Households with annual incomes that are 80 percent or less of AMI with unit rents at or below the High HOME Rent must occupy the remaining 80 percent of the HOME-assisted rental units.

A project that includes fewer than five HOME-assisted units is exempt from the 20 percent occupancy requirement both at initial and subsequent occupancy.

Current HUD HOME Income Limits are available at:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/index.cfm>

3. "Mixed Income" Project

HOME projects may have tenants with incomes above the area median income and low-income tenants living in the same building. A "mixed income" project refers to a housing project containing less than 100 percent of the units qualifying as affordable housing. All HOME funds used in conjunction with a mixed income project must be used solely for the benefit of the affordable units in the project. Any HOME-assisted units must meet the occupancy requirements and rent limitations identified in this section.

For purposes of meeting affordable housing requirements for a project, the dwelling units specified as affordable housing may be changed over the affordability period, so long as the total number of affordable housing units remains the same, and the substituted units are, at a minimum, comparable in terms of size, features, and number of bedrooms to the originally designated affordable housing units.

Common area costs will be prorated based upon the number of affordable units and market rate units.

4. "Mixed Use" Project

The term "mixed use" refers to housing in a project that is designed in part for uses other than residential. A building that is designed in part for other than residential housing may qualify as affordable housing under the HOME Program if such housing meets the rent limitations identified in this section. The laundry and/or community facilities that a project contains for the exclusive use of the project residents and their guests are considered residential use. Costs for common areas shared by both residential and commercial tenants shall be prorated.

5. Maximum Per Unit Subsidy Amount

The amount of HOME funds that may be invested in an affordable housing development are regulated under 24 CFR Part 92.250. HOME funds may not exceed the per unit dollar limits established by HUD under 221(d)(3) subsidy limits. The published HOME subsidy

limits are considered limits and not targets or average costs. Current MCHD HOME project comparables will continue to be the driving factor in approving project costs.

In no event may the maximum subsidy exceed the actual development cost of the HOME-assisted units based upon their proportionate share of the total development cost. Common area rehabilitation costs may be covered in the same proportion or percentage as HOME-assisted units in the project. For example, if five out of ten units in the structure(s) are HOME-assisted, HOME funds may be used to cover one-half the common area rehabilitation costs.

6. Special Needs Housing: Group Homes and Single-Room Occupancy (SRO) Units Permanent housing for disabled homeless persons, group or transitional housing and single-room occupancy housing are eligible project activities. Applicants may choose to consider the housing unit as a single unit for HOME assistance purposes or, depending upon their size, choose to classify them as single-room occupancy (SRO) units. The maximum HOME subsidy amount will differ according to whether the housing unit is classified as a group home or an SRO.

A group home is housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the units and separate private space for each family, except in the case of shared one-bedroom units. It also includes group homes for elderly or disabled persons. These structures are usually large single-family units.

A group home is considered by HUD to be a one-unit project. A one-unit project consists of separate bedrooms and shared kitchen, dining, sanitary and/or other common area facilities. All occupants of single-unit HOME-assisted projects, except supportive service providers, must be low-income. Bedrooms occupied by resident supportive service providers are counted as eligible bedrooms for subsidy purposes. The entire project is considered a single-unit for determination of the maximum HOME subsidy limit. The subsidy limit is based on the number of bedrooms in the unit.

An SRO is considered by HUD to be a multiple-unit project. Single-room occupancy is housing consisting of multiple single-room dwelling units that are the primary residence of the occupant or occupants. If the project consists of new construction, conversion of non-residential space, or reconstruction, each unit must contain either food preparation or sanitary facilities, or both.

For acquisition or rehabilitation of an existing residential structure, neither food preparation nor sanitary facilities are required to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by tenants. SROs do not include facilities for students. All occupants of HOME-assisted units must be low-income. The subsidy limit is based on the zero-bedroom subsidy amount times the number of units. See Exhibit 8 for a summary of the differences between SROs and group homes.

Maximum per unit subsidies vary each year. Contact MCHD for information regarding the subsidy caps in place for the year of application.

Applicants may wish to meet the standards for an SRO project by installing either or both sanitary or food preparation facilities. Doing this would create individual units, thereby increasing the number of units that may be assisted with HOME funds.

7. Tenant Certifications and Recertifications

Tenant eligibility shall be determined by the owner at the time of occupancy and shall be reexamined at least annually.

8. Tenant Income Increases (Not applicable for combined HOME/Low-Income Housing Tax Credit Properties)

Tenants who no longer qualify under the HOME income restrictions MUST pay for rent not less than 30 percent of the family's adjusted monthly income, as re-certified annually, and the unit must be marketed to HOME-eligible families when vacated.

9. Tenant Protections

a. Lease. The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than ONE year, unless by mutual agreement between the tenant and owner.

b. Prohibited Lease Terms. A list of prohibited lease terms is found in Exhibit 9.

c. Termination of Tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

d. Maintenance and Replacement. An owner must maintain the total development in compliance with all applicable housing quality standards and local code requirements.

e. Tenant Selection. An owner of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria. A list of the minimum criteria is found in Exhibit 10. Owners may not refuse to lease a HOME-assisted unit to a family because it holds a HUD Section 8 Housing Choice Voucher.

B. HOMEOWNERSHIP

1. Qualifications

The homeowner/homebuyer must have an annual income that does not exceed 80 percent of the area median income and must utilize the HOME-assisted residence as its principal residence.

For homebuyer assistance, the purchase price of the property cannot exceed the FHA 203(b) mortgage limits. For homeowner rehabilitation, the after-rehabilitation value cannot exceed the FHA 203(b) mortgage limits.

2. Recapture Restrictions

Homebuyers assisted under HOME will be subject to recapture guidelines as specified by 24 CFR 92.254.

Recapture:

A homeowner whose subsidy is subject to recapture is required to repay all or a portion of the HOME subsidy if the property is sold or transferred during the affordability period. The seller is allowed to sell the home to any willing buyer at any price as long as the HOME debt remaining on the property is repaid. If the sale of a HOME-assisted house during the affordability period results in repayment of the HOME subsidy and/or a share of the increased equity, MCCC will consider the proceeds as program income for any HOME-eligible. Up to 10 percent of the program income can be used for soft costs.

Equity Sharing:

Subrecipients must consider how the appreciated value of a home would be dispersed between the Subrecipient and the homeowner at the time of sale. An equity sharing policy must be included with an Applicant's recapture or resale policy. In the event funds are recaptured from a house rehabilitated or reconstructed in-house by MCCC in collaboration with other agencies, MCCC retains program income.

Foreclosure:

MCCC's recapture policy is based on net proceeds available from the sale of a home. Such a policy allows MCCC to collect as much of its HOME investment from the homebuyer, while preventing repayment of its HOME investment to the US Treasury.

C. MANUFACTURED HOUSING (EXCLUDING MODULAR HOUSING)

MCCC has a specific definition for manufactured homes as well as specific requirements in order to be eligible for assistance with HOME funds. Frequent problems have arisen when attempts have been made to rehabilitate manufactured homes. Because of this, Montgomery County Community Development has elected not to allow HOME funds to be used to purchase a manufactured housing unit except in cases of destruction due to natural or man-made disaster.

D. TENANT-BASED RENTAL ASSISTANCE (TBRA)

TBRA is a rental subsidy program used to help an eligible tenant with rent costs and security deposits. TBRA payments make up the difference between the amount the family can afford to pay for housing costs (30 percent of adjusted annual income) and the rent standard of the housing selected by the family. The subsidy payment contract with the tenant cannot exceed 24 months. Prospective tenants must be notified that the TBRA assistance is temporary, not permanent in nature.

Because TBRA is a two-year program, it should be viewed as a short-term solution to a community's housing needs. Applicants must demonstrate how a TBRA program would be used to initially resolve a need and how the agency plans to address that need through more permanent means.

The LBP requirements found in Exhibit 7 apply solely to Applicants proposing tenant-based rental assistance.

HOME rental assistance must be tenant-based, not project-based. Tenants must be free to use their assistance in any eligible unit within Montgomery County. Furthermore, subrecipients may not target their TBRA program to assist residents of specific projects.

Security deposit assistance cannot exceed the equivalent of two months rent for the unit and may be in the form of a grant or loan to the tenant. If security deposit assistance is repaid to the program, those repayments are considered program income.

The subrecipient must establish a minimum tenant contribution to housing cost of not less than \$25 per month.

HOME TBRA assistance cannot be used for:

- assisting resident owners of cooperative housing;
- preventing the displacement of tenants from projects assisted with Rental Rehabilitation Program funds;
- providing vouchers to homeless persons for overnight or temporary shelter;
- or
- duplicating existing rental assistance programs.

V. APPLICATION PROCESS

Applicants must use the Uniform Application and these HOME Program Application Guidelines to request funding for qualified projects. Applicants who do not meet minimum threshold requirements identified in Section VI, Ranking Criteria will not be ranked or considered for funding.

Funds expended prior to grant award are not reimbursable. Reimbursement of funds expended after grant award but prior to the release of funds is contingent on completion of an executed HOME Contract, an approved Environmental Review Record, and a firm commitment of all funds. If a HOME Contract is not executed or a Subrecipient is unable to comply with the terms and conditions of the agreement, any costs incurred will be the responsibility of the Applicant.

A. ORDER OF APPLICATION

Applications are competitively ranked. Supporting documentation for the ranking criteria and other sections of the application must be included. Each Applicant must submit an original and one copy of the application to the HOME Program. It is not necessary to duplicate an exhibit if it is needed for more than one section of the application.

A copy of the checklist for the application is attached at Exhibit 3.

B. EVALUATION

Applications are reviewed and scored by a citizens' Advisory Committee. These citizen representatives preside over public hearings, then meet to review and discuss a) information obtained in the public hearings, b) information obtained by other survey methods, and c) applications for funding. Committee members score and prioritize applications according to the established priorities of the Community Development Department, and make recommendations for funding as a group to the Director.

To serve on this Committee, a member must be a resident of Montgomery County at least eighteen (18) years of age, have transportation and an ability to attend meetings and public hearings, and the ability to read and write in English.

Each Precinct Commissioner appoints one to two representatives of his precinct and the County Judge selects one to three at-large representatives to serve as a Citizens Advisory Committee for Community Development. Appointees serve at the pleasure of their Commissioners for five year terms, renewable without term limits.

In evaluating applications, MCCD will rank each application based on its own merits in comparison to those submitted by other HOME Applicants. After reviewing each application, the Advisory Committee will evaluate the degree to which each proposed program responds to applicable criteria. In cases where a house will be rehabilitated or constructed in collaboration with other agencies, the applicant is an individual rather than an agency, and must meet all eligibility requirements for all funding sources contributed to the project. In these cases, the Advisory Committee will consist of representatives from each participant in the collaboration.

After submission of an application, Applicants are expected to keep MCCD informed of any developments that could affect the viability of the proposed project. MCCD may contact the Applicant to clarify issues, or to verify information contained in the application. A failure to respond to any criterion will result in no points being awarded for that criterion.

C. DETERMINATION OF HOME AWARD

HOME funds are intended to be used as gap financing. The difference between total project costs and total available financing resources (including owner equity requirements) is referred to as the "gap." A typical HOME financing project includes owner equity; conventional and/or other financing; CDBG and/or other grants; other local public and private sources of funding; and HOME funds to fill the gap. Based on the combination of funding and anticipated project costs, an analysis to determine the necessary amount of HOME funds will be done at the time of application.

MCCD will not process any application that is not financially feasible.

Ranking will be completed and staff and Advisory Committee recommendations provided for consideration on the agenda for Commissioner's Court approval. All Applicants will be notified, in writing, whether or not their applications have been selected for funding. Funding decisions are final. There is no appeal process. The HOME Program will not negotiate with any Applicant for an award of funds.

In cases where the Community Development Department directly applies HOME funds to rehabilitation or reconstruction projects on an individual basis, selection and approval will use the same priorities and eligibility criteria, but need not assess management criteria or be approved in Commissioner's Court.

**MONTGOMERY COUNTY DOWN PAYMENT
ASSISTANCE PROGRAM
(DIRECT HOME SUBSIDY)
HOMEBUYER'S ASSISTANCE
PROGRAM GUIDELINES**

**Montgomery County Down Payment Assistance Program
(Direct Home Subsidy)
Homebuyer's Assistance Program Guidelines**

Easter Seals Greater Houston under a contract with the Montgomery County Community Development Department and through HUD's Home Investment Partnership (HOME) Program, will assist eligible homebuyers in an amount not to exceed \$14,500 in the Montgomery County area (outside the city of Conroe).

Program Requirements:

Eligibility:

- Must be a "first time homebuyer"; i.e., have not owned a home within the last 3 years
- Attend a HUD-Approved Homebuyer's Education Class
- Have a social security number
- Purchase a home in Montgomery County (outside the city limits of Conroe)
- Maximum purchase price of home is 95% of area median purchase price as set by HUD
- Qualify for an acceptable loan within 30 days of being qualified for the program from a lender
- Household gross annual income cannot exceed 80% Area Median Income based on family size in the year of purchase.

Principal Residence: Homebuyers will be required to certify that they intend to occupy the property as their principal residence.

Recapture Provisions: The assistance (direct HOME subsidy) is in the form of a 5-year deferred loan to be forgiven five years from date of purchase. If the homebuyer(s) sells, refinances or moves out of the property during the 5-year period, the homebuyer(s) will be responsible for the portion of the loan that has not been forgiven. The amount of the loan to be reimbursed to Montgomery County Community Development is determined on a pro-rata basis for the time the homebuyer has owned and occupied the home, measured against the required affordability period. The pro rata amount forgiven is calculated by dividing the number of years the homebuyer occupied the home by the period of affordability {five (5) years}, and then multiplied by the total amount of HOME funds provided to the homebuyer.

For example, If the homebuyer received \$14,500 in HOME funds and sold the home after four (4) years, \$11,600 would be forgiven, and the homebuyer would reimburse Montgomery County the remaining \$2,900. The homebuyer will be able to receive any

appreciation in value of the property. Pro-rata is calculated in 12-month increments. The owner must occupy the house for the full twelve months in order to have one year of pro-rata forgiven.

During the affordability period, if the homebuyer fails to reside in the home as the principal residence, the amount of the direct HOME subsidy is not subject to prorated or other reductions included in its recapture provisions. In such case of noncompliance, the homebuyer will be required to repay the entire direct HOME subsidy.

(Direct subsidy) down payment assistance to the homebuyer will be up to \$14,500 for pre-existing or new home construction, and will be provided in the form of a 2nd lien, forgiven over a five (5) year period (the affordability period) if all program requirements have been met. The loan will be a non-recourse, no-interest, and five year non-amortizing forgivable loan. The homeowner will execute a promissory note in favor of the Montgomery County Community Development securing the deferred forgiveness loan.

No refinancing is allowed during the second lien period, and full repayment is expected. The note will be secured by a recorded Deed of Trust.

The reimbursement of funds to Montgomery County is recaptured from the net proceeds of the sale. Net proceeds are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs. If there are not enough funds due to the homeowner from the sale of the home to cover the reimbursement to Montgomery County, the entire amount of the loan is forgiven.

Property Conditions: Property under contract must be a single-family home built after Jan. 1, 1978, and pass Housing Quality Standards (HQS), ordinances, zoning ordinances, and all applicable building requirements. All new construction must meet model energy code and Builder must be registered with the state as a new Home Builder.

Income Verification: Easter Seals Greater Houston will calculate income according to criteria set by HUD to determine total household gross annual income. Gross annual household income includes all sources of income received by all adult household members through earned income, social security, disability benefits, child support or any other source of income of adult individuals living permanently in the home. Certain types of income as outlined by the current Technical Guide for Determining Income and Allowances for the HOME program compiled by HUD may be excluded. Income verification will be valid for a six-month period following receipt of the information. If the homebuyer does not close within the six-month period, income must be re-verified.

Minimum Homebuyer Investment: A minimum investment of \$500 by the borrower is required in the purchase of the home. This may include earnest money, appraisal fees, credit report fees, amounts required to be brought to closing or any fees paid to the program administrator.

Financing: Mortgages may be conventional loan programs, USDA, FHA, or VA home loans. Easter Seals Greater Houston reserves the right to disallow certain fees and charges if it can be shown that the lender does not normally charge such fees in the ordinary course of business on a similar loan to another borrower. In addition, Easter Seals Greater Houston reserves the right to deny assistance to a buyer if the mortgage product and fees indicate that the monthly payment exceeds the buyer's ability to repay the loan.

**MONTGOMERY COUNTY DOWN PAYMENT
ASSISTANCE PROGRAM
(DIRECT HOME SUBSIDY)
CLIENT APPLICATION PACKET**

**Montgomery County Down Payment Assistance
(Direct HOME Subsidy) Program
Easter Seals Greater Houston**

Applicant Please type or print clearly.

Name (Last, First, Middle Initial)			
Current Address:			
City, State, Zip:			
Home Phone:	Work Phone:	Cell Phone:	Email:

Co-applicant

Name (Last, First, Middle Initial)			
Current Address:			
City, State, Zip:			
Home Phone:	Work Phone:	Cell Phone:	Email:

Household composition: List the Head of Household and all other persons who will be living in the home.

Name	Relationship to Head of HH	Date of Birth	Sex	Social Security Number

Income Information:

Please provide name, ages and yearly income (if working) of all persons in the household.

NAME	AGE	YEARLY INCOME

Benefits and Pension:

Please list any benefits, pensions, or public assistance the applicant, co-applicant, or dependent(s) receives or will receive over the next year.

Benefits may include the following: Social Security, SSI, SSDI, AFDC, WIC, or child Support.

NAME	Type of Benefit

Applicant Employment

- ☐ Applicant is not employed
- ☐ Applicant is Self Employed
- ☐ Applicant is employed by:

Company Name, phone, fax _____

Company Address: _____

Occupation: _____

Wages or Annual Salary: _____

Co-Applicant Employment

- ☐ Co-Applicant is not employed
- ☐ Co-Applicant is Self Employed
- ☐ Co-Applicant is employed by:

Company Name, phone, fax _____

Company Address: _____

Occupation: _____

Wages or Annual Salary: _____

Other Employments

- ☐ Applicant is employed by
- ☐ Co-applicant is employed by
- ☐ Household member is employed by:

Company Name, phone, fax _____

Company Address: _____

Occupation: _____

Wages or Annual Salary: _____

I understand that the above information is being collected to determine my eligibility for Homebuyer Assistance (Direct HOME Subsidy). I certify that the above information is true and correct. I understand that any discrepancies or omissions found later may be grounds for disqualification and any funds I may have, or will receive, will have to be paid back as enforced in the Note, Home Program Agreement, and Deed of trust. I understand this is a deferred forgivable loan to assist in the purchase of a home and authorize Easter Seals Greater Houston to obtain a credit report from the lender.

Applicant

Date

Co-Applicant

Date

Asset Information

Please provide the name of the Bank, Savings and/or Checking Account number, and current balance.

Name of Bank	Checking/Savings 401/K/CD/IRA Retirement Plan	Balance	Account Number

Please list all other assets and their value. (example: stocks, bonds)

Do you own real estate property? ☐ Yes ☐ No

Are you presently living on public or subsidized housing? ☐ Yes ☐ No

Would you consider that you were presently living in substandard housing (lacking kitchen/plumbing facilities)? ☐ Yes ☐ No

Note: Easter Seals Greater Houston may count as assets any asset that was listed on Jenders 1003 application.

MONTGOMERY COUNTY Home Investment Partnerships Program

Down Payment Assistance (Direct HOME Subsidy)

First-Time Homebuyer Status and Certification of Principal Residence

Homebuyer:
Property Address:
City:

I/We hereby certify that I/we meet the definition of a first-time homebuyer as defined below? I/We understand that any discrepancies or misstatements may result in my/our disqualification from the HOME Program.

Definition of First-Time Homebuyer A first-time homebuyer is an individual and his or her spouse who have not owned a home during the last three years. The term first-time homebuyer also includes an individual who is a displaced homemaker or single parent (see definitions below) who, even if while a homemaker or while married, owned a home with his or her spouse or resided in a home owned by his or her spouse.

A displaced homemaker is an individual who:

1. Is an adult; and
2. Has not worked full-time full-year in the labor force for a number of years, but has, during such years, worked primarily without remuneration to care for the home and family; and
3. Is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

A single parent is an individual who:

1. Is unmarried or legally separated from a spouse; and
2. Has one or more minor children for whom the individual has custody or joint custody, or is pregnant.

I/We hereby further certify that I/We will occupy the above-referenced address, and it will be my/our principal residence for the term of the Affordability Period as specified in the Deed of Trust. I/We understand that my/our acceptance of Homebuyer Assistance (direct HOME subsidy) through this HOME program will result in the attachment of a 2nd lien in favor of Montgomery County to the above-referenced property. I/We further certify that all information and copies provided to the Contract Administrator are true and correct. I/We understand that any discrepancies or misstatements may result in my/our disqualification from the HOME Program.

I/We understand that any discrepancies or misstatements may result in my/our disqualification from the HOME Program, and funds I/We have received will have to be repaid as enforced in the Note, Home Program Agreement, and Deed of Trust.

Signature of Homebuyer

Date

Signature of Homebuyer

Date:

HOME PROGRAM AGREEMENT

Value of the Property

The Sales Price of the Home under contract is \$ _____, and must be acquired within 4 months.

Principal Residence

The property must be Home Buyer's Principal Residence and located in Montgomery County Community Development Department's Service Area.

Type of Assistance and amount

The type of assistance (direct HOME subsidy) Easter Seals Greater Houston is providing to the home buyer is a five-year deferred payment loan to be used for down payment and eligible closing costs; to be evidenced by a promissory note to be signed and delivered at closing by Home Buyer, and secured by second lien deed of trust against the Property from Home buyer to a trustee for the County (both in the form required by the County). The amount of the assistance (direct HOME subsidy) is up to \$ 14,500.

Terms and Conditions

1. Home Buyer agrees that, as an express condition precedent to County's willingness to forgive repayment of the Loan at 20% per year starting at the end of the first year, and in full on the fifth anniversary date of the Note.
2. Home buyer acknowledges and agrees that, as a further condition for the County's willingness to forgive repayment of the Loan at 20% per year starting at the end of the first year, and in full on the fifth anniversary date of the Note, Home buyer must maintain the Property and keep in good repair and condition throughout the five-year term of the Loan commencing on the date of the Note.
3. Home buyer agrees that, in the event that Home buyer sells the Property during the term of the Loan the Home buyer shall:
 - Notify the County and Easter Seals Greater Houston by certified mail, return receipt requested, or hand deliver against a signed receipt written notice of the proposed sale and a copy of the sales contract to the County and Easter Seals, in either case at least fourteen (14) days before the proposed closing date; and
 - Reimburse the County at closing the amount due under the promissory note.
4. *In the event that the home buyer rents or leases property during the affordable period, the home buyer will reimburse Montgomery County for the full amount of the direct HOME subsidy.*
5. Home buyer understands and agrees that, except where otherwise required or permitted by the County in connection with transfer on death, divorce, legal separation or legal incapacity, the promissory note may not be assumed, assigned or otherwise transferred in any way. Subject to the requirements of applicable law, the County may sell, assign, and transfer its ownership of the Loan and all of County's rights there under with or without notice to or consent from Home buyer.
6. Home buyer and its representative shall inspect the property prior to closing and by closing on property, Easter Seals shall take that as acknowledgement of accepting property in its current condition and that all required repairs were made.

Executed this _____ day of _____

Applicant _____

Co-Applicant _____

Administrator _____

Application Submission Checklist

(Please provide the following documentation with the application)

Home buyer provides the following documents with application fee:

1. ☐ \$50.00 Application Fee. Cashiers' Check or Money Order made payable to Master Seals Greater Houston.
2. ☐ Completed application with signatures of all adults (18 years and older) living in the home. *(The Co-applicant information must be completed by spouse or significant other, even if co-applicant is not on the loan.)*
3. ☐ HOME Program Eligibility Release Form: signed by applicant, co-applicant, and any household member over 18. (included in application)
4. ☐ Sign the Certification of Principal Residency
5. ☐ Sign the Certification of First Time Homebuyer
6. ☐ Provide copy of the most current 2 months pay stubs for applicant, co-applicant, and any household member over 18.
7. ☐ Provide copy of the most recent 6-months CHECKING account statements for applicant, co-applicant, and any household member (reflecting account holders name, institutions name, monthly ending balance)
Note: We will also need explanations for all large deposits that are not direct deposit from employer
8. ☐ Provide copy of most recent 3 months SAVINGS account statements for applicant, co-applicant and any household member.
9. ☐ Copy of Last 2 Years W-2's & Tax Returns for applicant, co-applicant, and any household member over 18.
10. ☐ If anyone over 18 in household is not working, please provide signed Certification of Zero Income (included in application)
11. ☐ If self-employed: Previous 3 years Tax Returns and Current year Profit and Loss Statement.
12. ☐ Current statement for any 401K, Retirement or IRA, Stock, Profit Sharing, and CD accounts.
13. ☐ If SS, SSI, or SSDI is received, provide the most recent Award Letter for any household member.
14. ☐ Copy of divorce decree. *(No assistance will be provided under a pending divorce or temporary separation decree)*
15. ☐ Court order for child support or Attorney General Order & printout *(Even if the support is not receive.)*
16. ☐ TANF (AFDC, WIC, etc.) Please provide proof of any assistance received (if applicable)
17. ☐ Homebuyer Education Certificate

Lender provides the following documents:

1. Loan application (1003 signed)
2. Loan commitment for a fixed rate mortgage
3. Underwriter's approval (MCAW)
4. Appraisal with photos
5. Insulation addendum (new construction only)
6. Flood Certificate
7. Good Faith Estimate
8. Title Commitment
9. Homeowner and Flood Insurance policy
10. Name and address of the title company with contact person, closing date, and wiring instructions.

Real Estate Agent or Broker provides the following documents:

1. Copy of Executed Sales Contract of Home, all Sellers,' Disclosures, Third Party Financing Addendum, all other addendums signed by buyer, and proof of taxing jurisdictions.
2. Notice to Real Property Owner/Seller Form.

Applications may be mailed and/or faxed to:

Katy Thorstenberg
Easter Seals Greater Houston
United Way Service Center
1600 Lake Front Circle Suite 218
The Woodlands, Texas 77380
Phone: 281-292-4155, Ext. 209
Fax: 281-466-2855
Email: kthorstenberg@eastersealshouston.org

Website: www.eastersealshouston.org

***Please be advised that any item not submitted or submitted improperly will result in a processing delay.

NOTICE TO SELLER(S)

Seller: _____

Buyer: _____

Property Address: _____

Property owned by you has been contracted for purchase on _____. Because federal funds will be used, we are required by the U. S. Department of Housing and Urban Development (HUD) to disclose the following information in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended (URA):

1. The proposed sale is voluntary. In the event negotiations fail to result in an amicable agreement, the buyer will not acquire the property via eminent domain.
2. The fair market value of the property is estimated to be \$ _____. However, since this transaction is voluntary, negotiations may result in a price that may be the same, higher or lower than this amount.

In accordance with HUD requirements, if the information provided above is not disclosed before an option to purchase or contract has been executed the Seller(s) must be provided the opportunity to withdraw from the agreement without penalty. Records do not indicate that the Seller(s) received these disclosures prior to entering into an agreement with the Buyer(s) as required. Therefore, the Seller(s) may elect to void or affirm the original agreement. If the Seller(s) voids the original agreement, a new agreement may be negotiated.

An owner-occupant who sells his or her property under these terms does not qualify as a displaced person eligible for relocation payments. Additionally, any person who occupies the property for the purpose of obtaining assistance under the URA does not qualify as a displaced person. However, tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be informed in writing as soon as feasible.

Any title deficiencies, liens, or encumbrances on the property must be cleared prior to closing. Generally, this is a cost that is borne by the Seller(s) of the property; however, payment of these costs may be negotiated between the Buyer(s) and Seller(s). No federal funds can be used to pay these costs

Please contact _____ with the _____ at _____ with any questions pertaining to this Notice to Seller.

Receipt acknowledged by Seller(s) this _____ day of _____, 20____.

- ☐ Seller(s) elect to affirm the original agreement.
- ☐ Seller(s) elect to void the original agreement and/or renegotiate the sale terms.

Seller(s)

Seller(s)

HOME Program Eligibility Release Form

Organization requesting release of information
(PJ name, address, telephone, and date)

Information Covered: Inquiries may be made about
items initiated by applicant/tenant.

Purpose: Your signature on this HOME Program Eligibility Release Form, and the signatures of each member of your household who is 18 years of age or older, authorizes the above-named organization to obtain information from a third party relative to your eligibility and continued participation in the:

HOME TBRA Program
HOME Homebuyer Program
HOME Rental Rehabilitation Program
HOME Homeowner Rehabilitation Program

Privacy Act Notice Statement: The Department of Housing and Urban Development (HUD) is requiring the collection of the information derived from this form to determine an applicant's eligibility in a HOME Program and the amount of assistance necessary using HOME funds. This information will be used to establish level of benefit on the HOME Program; to protect the Government's financial interest; and to verify the accuracy of the information furnished. It may be released to appropriate Federal, State, and local agencies when relevant, to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in a delay or rejection of your eligibility approval. The Department is authorized to ask for this information by the National Affordable Housing Act of 1990.

Instructions: Each adult member of the household must sign a HOME Program Eligibility Release Form prior to the receipt of benefit and on an annual basis to establish continued eligibility. Additional signatures must be obtained from new adult members whenever they join the household or whenever members of the household become 18 years of age.

NOTE: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. IF A COPY OF A TAX RETURN IS NEEDED, IRS FORM 4506, "REQUEST FOR COPY OF TAX FORM" MUST BE PREPARED AND SIGNED SEPARATELY.

	Verification Required	Initials
Income (all sources)		
Assets (all sources)		
Child Care Expense		
Handicap Assistance Expense (if applicable)		
Medical Expense (if applicable)		
Other (list: _____		
Dependent Deduction _____ Full-Time Student _____ Handicap/Disabled _____ Family Member _____ Minor Children		

Authorization: I authorize the above-named HOME Participating Jurisdiction and HUD to obtain information about me and my household that is pertinent to eligibility for participation in the HOME Program.

I acknowledge that:

- (1) A photocopy of this form is as valid as the original.
- (2) I have the right to review the file and the information received using this form (with a person of my choosing to accompany me).
- (3) I have the right to copy information from this file and to request correction of information I believe inaccurate.
- (4) All adult household members will sign this form and cooperate with the owner in this process.

Head of Household—Signature, Printed Name, and Date
Family Member #1

X

Other Adult Member of the Household—Signature, Printed Name, and Date
Family Member #2

X

Other Adult Member of the Household—Signature, Printed Name, and Date
Family Member #3

X

Other Adult Member of the Household—Signature, Printed Name, and Date
Family Member #4

X

**Montgomery County Home Fund Program
Easter Seals Greater Houston
4500 Bissonnet, Suite 340, Bellaire, Texas 77401
Phone: 713-838-9050 Ext. 353 Fax: 713-838-9098**

Verification of EMPLOYMENT		
TO:	DATE:	
Phone:	Fax:	Email:
Applicant Name:		
RELEASE: A copy of the executed "HOME Program Eligibility of Release Form" which authorizes the release of the information requested is attached.		
Signature of Applicant _____		Date _____
Employer's Authorization and Verification: Federal regulations require verification of employment and income of all members of any household applying to participate in the HOME Program. Employment and income must also be re-examined and re-verified periodically. We ask your cooperation in supplying this information to the above-referenced Contract Administrator. The information you provide will be used only to determine the eligibility status and level of benefit available to the applicant household.		
Date of Hire:	Occupation:	
Salary:	Date of last pay increase:	
Base pay rate: \$ per HOUR / WEEK / MONTH (circle one)		
Average number of hours worked per week at base pay rate:		
Number of weeks worked per year:	Overtime pay rate: \$ per hour	
Expected average number of hours overtime to be worked per week during the next 12 months:		
Specify any other compensation not included above (commissions, bonuses, tips, etc.):		
For: \$ per \$ per		
Is pay received for vacation? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, number of days per year:		
Total base pay earnings for past 12 months: \$		
Total overtime earnings for past 12 months: \$		
Probability and expected date of any pay increase:		
Does the employee have access to a retirement account? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If Yes, what amount does he/she have access to? \$		
Signature of Employer's Authorized Representative:		
Title:	Date:	Phone:
WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.		

CERTIFICATION OF ZERO INCOME

(To be completed by adult household members only, if applicable)

Household Member

Name: _____

Property Address: _____

1. I hereby certify that I do not individually received income from any of the following sources:

- Wages from employment (including commissions, tips, bonuses, fees, etc.);
- Income from operation of a business;
- Rental income from real or personal property;
- Interest or dividends from assets;
- Social Security payments, annuities, insurance policies, retirement funds, pensions, or death benefits;
- Unemployment or disability payments;
- Public assistance payments;
- Periodic allowances such as alimony, child support, or gifts received from persons not living in my household;
- Sales from self-employed resources (Avon, Mary Kay, Shaklee, etc.);
- Any other source not named above.

2. I currently have no income of any kind and there is no imminent change expected in my financial status during the next 12 months.

3. Please explain the source of funds you will be using to make your mortgage payments:

Under penalty of perjury, I certify that the information presented in this certification is true and accurate to the best of my knowledge. The undersigned further understand(s) that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of federal assistance.

Signature of Household Member

Printed Name of Household
Member

Date



HOME Program Household Income Certification

Enter the requested information into the yellow cells.

Part I. General Information

Administrator: Katy A. Thorsen-berg

Certification Type: _____

Contract Number: _____

Applicant Last Name: _____

Applicant First Name and Middle Initial: _____

Part II. Household Composition

Household Member Number	Member Last Name	Member First Name and Middle Initial	Relationship to Head of Household	Date of Birth	Full Time Student (Y/N)
1					
2					
3					
4					
5					
6					
7					

Part III. Gross Annual Income (Non-Asset Income)

Household Member Number	Employment or Wages	Social Security/Pensions/Annuities/Retirement	Public Assistance	Other Income	Member Income Total
			\$ -		\$ -
	\$ -				\$ -
	\$ -				\$ -
	\$ -				\$ -
	\$ -			\$ -	\$ -
Total Annual Income (Non-Asset Income):	\$ -	\$ -	\$ -	\$ -	\$ -

Part IV. Income From Assets

Household Member Number	Description of Asset	Cash Value of Asset	Actual Annual Interest Rate	Actual Asset Income	Imputed Asset Income (if applicable)
			0.00%	\$ -	
				\$ -	
		\$ -	0.00%	\$ -	
			0.00%	\$ -	
		\$ -	0.00%	\$ -	
Total Value of Assets:		\$ -	Total Asset Income:	\$ -	\$ -
Greater of Imputed or Actual Asset Income:				\$ -	\$ -
Total Household Income:				\$ -	\$ -

Part IV. Income From Assets

Under penalty of perjury, Household Members hereby certify that the information presented in this Household Income Certification (HIC) is true and accurate to the best of their knowledge and belief. The undersigned further Household Members age 18 and older understand that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination from the HOME Program.

Head of Household Signature _____

Date _____

Spouse/Other Adult Signature _____

Date _____

Other Adult Signature _____

Date _____

Administrator Signature _____

Date _____

**U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Income Eligibility Calculator**

24 CFR PART 5 ANNUAL INCOME CALCULATION

Completed on 07/31/2015

1. Last Name:		2. Beneficiary ID: county/A		
3. Number of Members: 2		4. Area/State: Houston-Daytown-Sugar Land, TX HUD Metro FMR Area		5. 2015 Income Limit: \$44,400.00
ASSETS				
First Names	Member IDs	Asset Description	Current Cash Value of Assets	Actual Income from Assets
	County A	Cash	\$1,449.37	\$0.00
	County A		\$0.00	\$0.00
6. Net Cash Value of Assets			6. \$1,449.37	
7. Total Actual Income from Assets				7. \$0.00
8. Imputed Income from Assets (only if the Net Cash Value of Assets is greater than \$5,000):				8. \$0.00

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Income Eligibility Calculator

24 CFR PART 5 ANNUAL INCOME CALCULATION

Completed on 07/01/2015

ANTICIPATED ANNUAL INCOME						
First Names	Member IDs	a. Wages/ Salaries	b. Benefits/ Pensions	c. Public Assistance	d. Other Income	e. Asset Income
	County A	\$30,717.84	\$0.00	\$0.00	\$5,580.00	
	CountyA1	\$0.00	\$0.00	\$0.00	\$0.00	
9. Totals		a. \$30,717.84	b. \$0.00	c. \$0.00	d. \$5,580.00	e. \$0.00
10. Enter total of items from 9a through 9e. This is Annual Income .						10. \$36,297.84

Based upon the information submitted, the Annual Income of countyA has been determined to be \$36,297.84, which is below the 2015 80 % Income limit of \$44,400.00 for a 2-member household in Houston-Baytown-Sugar Land, TX HUD Metro FMR Area (CBSA: MEYR026420M26420). (Completed on July 01, 2015.)

COMPLETE SIGNATURES ON NEXT PAGE

**U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Income Eligibility Calculator**

I/we certify that this information is complete and accurate. I/we agree to provide, upon request, documentation on all income sources to the HUD Grantee/Program Administrator.

24 CFR PART 5 ANNUAL INCOME CALCULATION

Completed on 07/31/2015

Beneficiary ID: countyA

HEAD OF HOUSEHOLD		
Signature	Printed Name	Date

OTHER BENEFICIARY ADULTS*		
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date
Signature	Printed Name	Date

* Attach another copy of this page if additional signature lines are required.

PREPARER		
Signature	Printed Name	Date

WARNING: The information provided on this form is subject to verification by HUD at any time, and Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony and assistance can be terminated for knowingly and willingly making a false or fraudulent statement to a department of the United States Government.

Page 3 of 3

FY 2015 INCOME LIMITS DOCUMENTATION SYSTEM

HUD.gov HUD User Name Data File Fair Market Rent HUD Income Limits HUD Income Limits HUD Income Limits HUD Income Limits

FY 2015 Income Limits Summary

FY 2015 Income Limit Area	Median Income Explanation	FY 2015 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Montgomery County	\$69,300	Very Low (50%) Income Limits (\$) Explanation	24,300	27,750	31,200	34,650	37,450	40,200	43,000	45,750
		Extremely Low (30%) Income Limits (\$)* Explanation	14,600	16,650	20,090	24,250	28,410	32,570	36,730	40,890
		Low (80%) Income Limits (\$) Explanation	38,850	44,400	49,950	55,450	59,900	64,350	68,800	73,200

Selecting any of the buttons labeled "Explanation" will display detailed calculation steps for each of the various parameters.

NOTE: Montgomery County is part of the **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area**, so all information presented here applies to all of the **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area**. The **Houston-Baytown-Sugar Land, TX HUD Metro FMR Area** contains the following areas: Chambers County, TX; Fort Bend County, TX; Galveston County, TX; Harris County, TX; Liberty County, TX; Montgomery County, TX; San Jacinto County, TX; and Waller County, TX.

* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low (30%) income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2015 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2015 [Fair Market Rent documentation system](#).

For last year's Median Family Income and Income Limits, please see here:

FY2014 Median Family Income and Income Limits for Montgomery County

<http://www.huduser.org/portal/datasets/il/fil2015/2015summary.odm>

3/11/2015

**HANDOUT:
MINIMUM LOAN AND LENDER
REQUIREMENTS**

MINIMUM LOAN AND LENDER REQUIREMENTS

Easter Seals Greater Houston has the following requirements for First Mortgage Loans accepted into our Montgomery County Community Development Down Payment Assistance (Direct HOME Subsidy) Program:

1. Loans must be either a Conventional (conforming, or non-conforming), Portfolio, FHA, VA or Rural Development (RHS) mortgage loan.
2. First lien loans must be on a fully amortized fixed rate loan for up to 30 years with an interest rate that does not exceed the prevailing market rates for conforming loans by more than $1\frac{1}{4}\%$.
3. Home Buyer's housing costs cannot exceed 33%, based on Easter Seals' income calculation, not the lender's calculations. Debt to income ratio shall not exceed 45%.
4. Originator can not charge more than 2% in upfront fees, not including third-party fees.
5. No Prepayment Penalties will be allowed.
6. All Home Buyers must contribute at least \$500 of their own funds.
7. Loan Terms must be 10 to 30 years.
8. All assets, including gifts, listed on 1003 Loan Application will be considered as assets of buyer and counted as income (see Household Income Worksheet.)
9. Home Buyers with liquid assets in excess of two times amount of the assistance will be ineligible for assistance. This includes gifts listed as assets on 1003.
10. Montgomery County will not subordinate its lien.
11. Montgomery County's lien must be in a second or third lien position.
12. Eligible Gift Programs used in combination with our funds are allowed, but must be approved by Easter Seals Greater Houston.
13. If the Home Buyer is requesting more than one assistance program, written approval from Easter Seals Houston is required.
14. The Seller contribution can be up to 6%, but buyer cannot receive any funds at closing.
15. Easter Seals Greater Houston does not allow the same person to act as both Real Estate Agent and Lender in same transaction.
16. "Homebuyer Assistance Fees" cannot be charged, regardless if it is considered a Lender or Real Estate Fee.

With only minor exceptions, Easter Seals Greater Houston works with all lenders lawfully practicing in the State. Easter Seals reviews the loan terms, fees and rate to make sure the financing provided is in the best interest of the home buyer. Easter Seals will refuse to provide assistance (direct HOME subsidy) in situations where a lender charges excessive fees, does not utilize risk factors such as credit scores to determine fees and interest rate, has a history of fraud, provides improper disclosure, and/or has acted improperly with Easter Seals in the past.

Easter Seals has no requirement on credit score or credit issues, or performs any financial underwriting. All of the above requirements must be met in order to fund the assistance (direct HOME subsidy), and are intended to benefit the home buyer.

**DOWN PAYMENT ASSISTANCT
(DIRECT HOME SUBSIDY) PROGRAM
CONDITIONAL COMMITMENT OF FUNDS
LETTER**



Easter Seals Greater Houston
4500 Bissonnet, Suite 340 Bellaire, Texas 77401
Telephone (713) 838-9050 Fax (713) 838-9098
The Montgomery County Office
1600 Lake Front Circle, #248
The Woodlands, Tx 77380
281-292-4155, Ext. 209
E-Mail: kthorstenberg@eastersealshouston.org

DATE

RE: Montgomery County, Down Payment Assistance (Direct HOME Subsidy) Program Conditional Commitment of Funds

Dear

Please accept this letter as acknowledgment of a conditional commitment of assistance from Easter Seals Greater Houston, Montgomery County Down Payment Assistance (Direct HOME Subsidy) program, in the amount of \$14,500, to be used for down payment, closing costs, prepaid items and principal reduction in the purchase of a single-family residence eligible under the guidelines of this program.

These funds are available to the home buyer in the form of a deferred, 5-year loan for the purpose of down payment assistance (Direct HOME Subsidy), closing cost assistance, and gap financing.

The assistance is available only upon all of the following conditions being met:

- A. the home to be purchased is located within Montgomery County (outside the city limits of Conroe);
- B. The Home Buyer must submit a conditional approval for an acceptable mortgage from a lender.
- C. The home must pass Housing Quality Standards (HQS) and all applicable building requirements.
- D. The home to be purchased is built after Jan. 1, 1978.
- E. The home to be purchased is a single family property.
- F. The home must be your primary residence
- G. the availability of the funds are provided on a first-come, first-served basis and cannot be guaranteed until all of the following has been completed:
 - A conditional approval from a lender for the mortgage loan is received.
 - The property passes HQS and all other applicable building requirements.

If you have any questions concerning this matter, please call 281-292-4155, Ext. 209.

Sincerely,

Katy A. Thorstenberg
Program Administrator

HANDOUT: STEP BY STEP PROGRAM GUIDELINE

***Easter Seals Greater Houston (ESGH) Program Steps
Montgomery County Home Fund Program
Down Payments Assistance (Direct HOME Subsidy)***

1. A Checklist of required items is provided with the application.
2. Once income is determined and meets the criteria listed on the income guidelines, a Conditional Commitment Letter will be sent to the home buyer(s). A Household Income Certification (HIC) is also sent to the lender. It must be signed by the home buyer and promptly returned to ESGH.
3. Much like a lender's approval letter, ESGH's Conditional Commitment Letter is based on certain conditions: acceptable property, completing a homebuyer education class, mortgage terms etc.
4. The Lender receives the Conditional Commitment Letter and also a checklist of items needed by ESGH.
5. The Inspection is requested internally as soon as the Housing Specialist receives an executed signed Sales Contract and after a determination of income. ESGH's inspector will inspect the home **within 72 hours** and will e-mail/fax the Real Estate Professionals and Lender a copy of any repairs needed.
6. ESGH will need the **Flood Certification** in order to get the inspection cleared. The inspection will have to be approved through the Program's Community Development Office so we recommend getting this to us **15 days prior to closing**.
7. Once the items are received and complete, the file will be turned over to the closing department for review. The approval of the documents will take **at least 72 hours**.
8. After inspection has been cleared through the Inspector and the Community Development Offices, and all documents have been approved through the closing department - you may close a file **48 hours after approval**.
9. Prior to funding a review of the HUD-1 will be done.
10. The above procedures apply to all of ESGH's HOME Programs. These are not Grant Programs and ESGH has steps and approvals that must be met in order to provide the assistance (Direct HOME Subsidy).

**SUBORDINATE DEED OF TRUST
(2ND LIEN NOTE)
FOR DOWN PAYMENT ASSISTANCE
(DIRECT HOME SUBSIDY)
PROGRAM**

MONTGOMERY COUNTY
HOME Investment Partnerships Programs
Down Payment Assistance (Direct HOME Subsidy)

SUBORDINATE DEED OF TRUST
(2nd LIEN NOTE)

NOTICE OF CONFIDENTIALITY RIGHTS; EFFECTIVE JANUARY 1, 2004, IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS; i.e.; YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

This SUBORDINATE DEED OF TRUST (Security instrument) is made on

DATE _____

The grantor is _____ **(Home Buyer).**

The trustee is Craig Doyal, in his capacity as County Judge of Montgomery County, Texas, or, if he is not currently serving as County Judge, the individual currently serving as County Judge of Montgomery County (Trustee), whose address is 501 N Thompson, Suite 200, Conroe, Montgomery County, Texas, 77301. The beneficiary is Montgomery County (Lender).

Montgomery County on November 07, 2006, entered into an Agreement with Easter Seals Greater Houston (Administrator) to provide homeownership opportunities to low income families through the use of down payment assistance loans.

Home Buyer owes Lender the principal sum of fourteen thousand and five hundred dollars

(US\$ 14,500). This debt is evidenced by a Down Payment Assistance (Direct HOME Subsidy) Note (Second Lien Note) dated the same date as this Security Instrument, with the full debt due and payable on _____ (Final Maturity Date).

The Note provides for certain potential deferrals, forgiveness or other payment terms. The Note also provides that the full debt, if not paid or forgiven earlier, shall be due and payable on the sale of the property or refinance of the purchase money note dated _____ in the original principal amount of \$ _____ issued by Home Buyer and made payable to _____, (Senior Lien Holder), hereinafter the First Lien Note (FLN), or acceleration of either the FLN or the Note upon Borrower's default, whichever is first to occur.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, advanced

under Paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Home Buyer's covenants and agreements under this Security Instrument and the Note. For this purpose, Home Buyer irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in Montgomery County, Texas; (**Legal description**):

Which has the address of _____ (property address).

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, right, appurtenances, grants, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

Home Buyer COVENANTS that Home Buyer is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except as otherwise herein stated and except for encumbrances of record. Home Buyer warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

Home Buyer and Lender covenant and agree as follows:

1. **Payment.** Home Buyer shall promptly pay when due all amounts payable under the Note.
2. **Application of Payments.** Unless applicable law provides otherwise, any payment received by Lender prior to the Final Maturity Date shall be applied as a principal reduction to the outstanding loan balance.
3. **Charges; liens.** Home Buyer shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Home Buyer shall pay these obligations on time directly to the person owed payment. Home Buyer shall promptly furnish to Lender all notices of amounts to be paid under this Paragraph. If Home Buyer makes these payments directly, Home Buyer shall promptly furnish to Lender receipts evidencing the payments. Payment of these amounts in escrow (if required under the terms of the approved purchase money deed of trust securing the FLN from Home Buyer herein to Craig Doyal, Trustee, of even date with FLN, to be filed in the Official Public/Deed/Real Property Records of Montgomery County, Texas (First Lien Deed of Trust) instead of directly to the person owed payment, will not be a default under this Security Instrument, provided that the escrow agent in turn pays them on time to the person owed payment and escrow agent or the Home Buyer promptly thereafter furnishes to Lender receipts evidencing the payments.

Except as to the First Lien Deed of Trust, Home Buyer shall promptly discharge any lien which has priority over this Security Instrument unless Home Buyer: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or

(c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Home buyer a notice identifying the lien. Home Buyer shall satisfy the lien or take one or more of the actions set forth above within ten (10) days of the giving of notice.

4. **Subordination and Notice to Senior Lien Holder.** Lender and Home Buyer acknowledge and agree that this Deed of Trust is subject and subordinate in all respects to the lien, covenants and conditions of the First Lien Deed of Trust. Upon the event of foreclosure or deed in lieu of foreclosure of the First Lien Deed of Trust, any provisions herein, or any provisions in any other collateral agreement, restricting the use of the Property to low or moderate income households or otherwise restricting the Home Buyer's ability to sell the Property shall have no effect on subsequent owners or purchasers of the Property (other than the Home Buyer or a related entity of Home Buyer).

Prior to taking any actions under Paragraph 19, Lender shall notify the senior lienholder of a default in the manner provided in Paragraph 19 of this Security Instrument, and shall provide the senior lienholder with the opportunity to cure any such default under this Security Instrument.

5. **Hazard or Property Insurance.** Home Buyer shall keep the improvements now existing or hereafter erected upon the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Home Buyer subject to Lender's approval which shall not be unreasonably withheld. If Home Buyer fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with Paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Home Buyer shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Home Buyer shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Home Buyer.

Unless Lender and Home Buyer otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened; provided, however, that the rights of Lender to collect and apply such insurance proceeds shall be subject and subordinate to the rights of the holder of the First Lien Deed of Trust to collect and apply such proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Home buyer. If Home buyer abandons the Property, or does not answer within thirty (30) days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender,

subject to the rights of the First Lien Deed of Trust, may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The thirty (30) day period will begin when the notice is given. If, under Paragraph 19 the Property is acquired by Lender, Home buyer's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **Occupancy, Preservation, Maintenance and Protection of the Property; Home buyer's Loan Application.** Home buyer shall occupy, establish, and use the Property as Home buyer's principal residence within sixty (60) days after the execution of this Security Instrument and shall continue to occupy the Property as Home buyer's principal residence, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Home buyer's control. Home buyer shall not destroy damage or impair the Property, all the Property to deteriorate, or commit waste on the Property. Home buyer shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Home buyer may cure such a default by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Home buyer's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Home buyer shall also be in default if Home buyer, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Home buyer's occupancy of the Property as a principal residence.
7. **Protection of Lender's Rights in the Property.** If home buyer fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this Paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this Paragraph 7 shall become additional debt of Home buyer secured by this Security Instrument. Unless Home buyer and Lender agree to other terms of payment, these amounts shall be payable, upon notice from Lender to Home buyer requesting payment.

8. **Inspection.** Lender or its agents may make reasonable entries upon and inspections of the Property. Lender shall give Home buyer notice at the time of or prior to an inspection specifying reasonable cause for the inspection.
9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the rights of the First Lien Deed of Trust.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Home buyer. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Home buyer and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Home buyer. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Home buyer and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

Unless Lender and Home buyer otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the maturity date.

10. **Home buyer Not Released; Forbearance by Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Home buyer shall not operate to release the liability of the original Home buyer or Home buyer's successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Home buyer or Home buyer's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.
11. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Home buyer, subject to the provisions of Paragraph 16. Home buyer's covenants and agreements shall be joint and several. Any Home buyer who co-signs this Security Instrument only to mortgage, grant and convey that Home buyer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Home buyer may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Home buyer's consent.

12. **Loan charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that any charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Home buyer which exceeded permitted limits will be refunded to Home buyer. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Home buyer. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.
13. **Notices.** Any notice to Home buyer provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Home buyer designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Home buyer. Any notice provided for in this Security Instrument shall be deemed to have been given to Home buyer or Lender when given as provided in this Paragraph.
14. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of the Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end, the provisions of this Security Instrument and the Note are declared to be severable.
15. **Home buyer's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.
16. **Voluntary and Involuntary Transfer of the Property or an Interest in Home buyer.** As set forth in the Note, the debt secured by this Security Instrument shall be immediately due and payable in full upon various occurrences, including if all or any part of the Property or any interest in it is sold, leased or transferred, other than (a) the creation of a lien subordinate to this Security Instrument that is incurred to secure improvements to the Property, or (b) a transfer (not upon death) between joint tenants in the Property who are also co-makers of the Note, or (c) a transfer by devise, descent or operation of law upon the death of a joint tenant in the Property if at least one other joint tenant who is also a maker of the Note remains alive and continues to occupy the Property as his or her principal residence. If a transfer other than as allowed herein occurs Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall be exercised by Lender if exercise is prohibited by Federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Home buyer notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is mailed within which Home Buyer must pay all sums secured by this Security Instrument. If Home buyer fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Home buyer.

In the event of foreclosure, deed in lieu of foreclosure or other involuntary conveyance of the First Lien Deed of Trust, or other superior lien, or in the event of a voluntary sale, the debt secured by this Security Instrument shall be due and payable from the available Net Proceeds upon the occurrence of said event of foreclosure, involuntary conveyance or voluntary sale. Net Proceeds of a sale are the sales price of Property minus the superior loan repayment (other than HOME funds) and any closing costs. If the Net Proceeds are insufficient to repay the debt secured by this Security Instrument and Home buyer's investment (which includes any portion of initial down payment paid by Home buyer combined with the value of any capital improvements made with Home buyer's funds), the Home buyer's investment is paid in full first from the available proceeds from the re-sale and the Note is repaid to the extent that proceeds are available. If there are no Net Proceeds, repayment of the debt secured by this Security Instrument is not required.

17. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Home buyer. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Home buyer will be given written notice of the change in accordance with Paragraph 13 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.
18. **Hazardous Substances.** Home buyer shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Home buyer shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Home buyer shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Home buyer has actual knowledge. If Home buyer learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Home buyer shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this Paragraph 18, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides, and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Paragraph 18, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

19. Acceleration; Remedies. Lender shall give notice to Home buyer prior to acceleration following Home buyer's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Paragraph 16 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is given to Home buyer, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice will result in acceleration of the sums secured by this Security Instrument and sale of the Property. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, lender or Trustee shall give notice of the time, place and terms of sale to Home buyer in the notice at least twenty-one (21) days prior to sale as provided by applicable law. Lender shall mail a copy of the notice of sale to Home buyer in the manner prescribed by applicable law. Sale shall be made at public venue between the hours of 10:00 a.m. and 4:00 p.m. on the first Tuesday of the month. Home buyer authorizes Trustee to sell the Property to the highest bidder for cash in one or more parcels and in any order Trustee determines. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying indefeasible title to the Property with covenants of general warranty. Home buyer covenants and agrees to defend generally the purchaser's title to the Property against all claims and demands. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including but not limited to, reasonable Trustee's and attorney's fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or person legally entitled to it.

If the Property is sold pursuant to this Paragraph 19, Borrower or any person holding possession of the Property through Home buyer shall immediately surrender possession of the Property to the purchaser at that sale. If possession is not surrendered, Borrower or such person shall be a tenant at sufferance and may be removed by writ of possession.

20. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security instrument without charge to Home buyer. Home buyer shall pay any recordation costs.

21. Substitute Trustee. Lender, at its option and with or without cause, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

22. **Subrogation.** Any of the proceeds of the Note used to take up outstanding liens against all or any part of the Property have been advanced by Lender at Home buyer's request and upon Home buyer's representation that such amounts are due and are secured by valid liens against the Property. Lender shall be subrogated to any and all rights, superior titles, liens and equities owned or claimed by any owner or holder of any outstanding liens and debts, regardless of whether said liens or debts are acquired by Lender by assignment or are released by the holder thereof upon payment.
23. **Partial Invalidity.** In the event any portion of the sums intended to be secured by this Security Instrument cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby.
24. **Waiver of Notice of Intention to Accelerate.** Home buyer waives the right to notice of intention to require immediate payment in full of all sums secured by this Security Instrument except as provided in Paragraph 19.
25. **Purchase Money; Vendor's Lien; Renewal and Extension.** The Note has been given in partial payment of the purchase price for the Property. The Note may also be secured by a vendor's lien against the Property. If so, this Security Instrument does not waive the vendor's lien, and the two liens and the rights created by this Security Instrument shall be cumulative. Lender may elect to foreclose under either of the liens without waiving the other or may foreclose under both.

BY SIGNING BELOW, Home buyer accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Home buyer and recorded with it.

Witnesses:

Home Buyer

Home Buyer

Dr. Joanne Ducharme, Director, Montgomery County Community Development

SPACE BELOW THIS LINE FOR ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF MONTGOMERY

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that _____ (s)(t)he(y) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____

Notary Public

After recording, please return to:

Easter Seals Greater Houston

c/o Katy Thorstenberg

1600 Lake Front Circle, Suite 248

The Woodlands, Texas 77380

**DOWN PAYMENT ASSISTANCE NOTE
(DIRECT HOME SUBSIDY)
CONTRACT BETWEEN MONTGOMERY
COUNTY AND HOMEBUYER**

Montgomery County

HOME INVESTMENT PARTNERSHIPS PROGRAM

DOWN PAYMENT ASSISTANCE NOTE (Direct HOME
Subsidy)

Date:

Property (which includes the real property and Improvements thereon):

Physical Property Address:

City and County:

The Home Buyer(s) is:

The Home Buyer's Address is:

The Lender is the Montgomery County.

Lender's address is 501 N Thompson, Suite 200, Conroe, Montgomery County, Texas, 77301.

Deferred Principal is: fourteen thousand five hundred dollars (US\$14,500).

Loan Term is five (5) years from the date of this Note.

1. Home Buyer's PROMISE TO PAY

In return for a loan that I have received from Montgomery County's Home Investment Partnerships Program (HOME), I promise to pay U.S. \$ 14,500 (this amount is called "Deferred Principal") to the order of the Lender at the end of the Loan Term ("Maturity"). I understand that Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

No interest will accrue on this loan at any time.

3. TIME AND PLACE OF PAYMENTS

Provided that the Home buyer complies with the other terms of this Note, the amounts due and payable under this Note shall be deferred and repayable as follows:

Time Elapsed	Percent of Loan Due
From signature date to Second anniversary	100%
From Second anniversary to Third anniversary	75%
From Third anniversary to Fourth anniversary	50%
From Fourth anniversary to Fifth anniversary	25%
After Fifth anniversary	0%

This unpaid or unforgiven balance of the Note shall be due and payable from the available Net Proceeds upon the occurrence of any of the events described in subsections (d) and (e) below. Net Proceeds of a sale are the sales price of Property minus the superior loan repayment (other than HOME funds [Direct HOME Subsidy]) and any closing costs. If the Net Proceeds are insufficient to repay the Note and Home buyer's investment (which includes any portion of initial down payment paid by Borrower combined with the Value of any capital improvements made with Borrower's funds [direct HOME subsidy]), the Home buyer's investment is paid in full first from the available proceeds from the re-sale and the note is repaid to the extent that proceeds are available. If there are no Net Proceeds, repayment of the Note is not required. Any Net Proceeds in excess of Home buyer's investment and the amount to be repaid under the Note are paid to the seller of the Property.

If the unpaid or unforgiven balance of the Note is declared due and payable upon the occurrence of any of the events described in subsections (a), (b), (c) and (f) below, it shall be paid either in a single payment or, at home buyer's option, by execution and delivery of an unsecured note in the amount of the unpaid balance of the loan payable to Lender in monthly installments amortized over five (5) years from the date of the note.

The events which will cause the balance of the Note to be declared due and payable before or at Maturity are as follows:

- (a) The purchase money note to _____ dated _____ in the amount of \$ _____ hereinafter the First Lien Note (FLN) is paid in full according to its terms; or
- (b) The FLN is refinanced in whole or in part or is assumed by a new home buyer without the consent of Montgomery County; or
- (c) The unpaid balance of the FLN becomes due and payable in full for any reason (whether by acceleration or according to its terms, and including, without limitation, because any maker of the FLN is in default); or
- (d) All or any part of the Property, or any interest in it, is leased, transferred, or foreclosed, except that this clause (d) will not apply to:
 - (i) The creation of a lien subordinate to the Second Lien Deed of Trust securing this Down Payment Assistance (Direct HOME Subsidy) Program Note, or

- (ii) A transfer (not upon death) between joint tenants in the Property who are also co-makers, of this Down Payment Assistance (Direct Subsidy) Program Note, or
- (iii) A transfer by devise, descent or operation of law upon the death of a joint tenant in the Property if at least one other joint tenant who is also a maker of the Down Payment Assistance (Direct HOME Subsidy) Program Note remains alive and continues to occupy the Property as his or her principal residence; or
- (e) All or part of the Property is sold; or
- (f) The Home Buyer ceases to occupy the Property as his or her principal residence.

I will make my payment(s) at 501 N Thompson, Suite 200, Conroe, Montgomery County, Texas, 77301, or at a different place if required by the Note Holder.

4. Home buyer'S RIGHT TO PREPAY

I HAVE THE RIGHT TO MAKE PAYMENTS OF Deferred Principal at any time before they are due. A payment of Deferred Principal only is known as a 'prepayment.' When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of Deferred Principal that I owe under this Note. If I make a partial prepayment there will be no changes in the due date or in the amount of my payment unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Deferred Principal I owe under this Note or by making a direct payment to me. If a refund reduces Deferred Principal, the reduction will be treated as a partial prepayment.

6. Home buyer's FAILURE TO PAY AS REQUIRED

- (A) Default: If I do not make the full amount of the payment on the date it is due, I will be in default. Additionally, I will be in default under this Down Payment Assistance (Direct HOME Subsidy) Program Note:
 - (i) If I fail to perform any obligation required of me under the Second Lien Deed of Trust securing this Down Payment Assistance (Direct HOME Subsidy) Program Note or take any action prohibited under the Second Lien Deed of Trust securing this Down Payment Assistance (Direct HOME Subsidy) Program Note,
 - (ii) If any representations made by me in connection with this loan was false in any material respect when made, or

- (iii) If any default occurs under the FLN or under the Deed of Trust securing the FLN.
- (B) Notice of Default: If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Deferred Principal which has not been paid. That date must be at least thirty (30) days after the date on which the notice is delivered or mailed to me.
- (C) No Waiver by Note Holder: Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.
- (D) Payment of Note Holder's Costs and Expenses: If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Lender's address above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. SUBORDINATION TO FIRST LIEN

This Note is a second lien note, subject and subordinate in all respects to the lien, terms, covenants and conditions of the FLN and the deed of trust securing payment of said First Lien Note (FLN). In the event of a foreclosure of the FLN, any provisions herein or in any collateral agreement restricting the use of the property to low or moderate income households shall have no effect on subsequent owners or purchasers of the property who are not related to me. I understand that any default under the FLN or the First Lien securing it will be a default under this Note.

10. WAIVERS

I and any other person who have obligations under this Note waive notice of intention to accelerate, except as provided in Section 6(B) above, and the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

11. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. This Note is secured by the liens and security interest granted in the Second Lien Deed of Trust (the "Security Instrument"), dated the same date as this Note, from Home buyer to Craig Doyal, Trustee, for the benefit of Lender, upon and against the Property described above. In addition to the protections given to the Note Holder under this Note, the Security Instrument protects the Note Holder from Possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

Transfer of the Property or a Beneficial Interest in Home buyer. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Home buyer is sold or transferred and Home buyer is not natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. If Lender exercises this option, Lender shall give Home buyer notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which Home buyer must pay all sums secured by this Security Instrument. If Home buyer fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Home buyer.

Witness the Hand and Seal(s) of the Undersigned:

Home Buyer

Date

Home Buyer

Date

Home Buyer

Date

Home Buyer

Date

Dr. Joanne Ducharme, Director, Montgomery County Community Development

LETTER RELEASING SECOND LIEN
FIVE YEAR NOTE
ON
PURCHASED PROPERTY



501 N. Thompson, Suite 200
Conroe, Texas 77301
936-538-8060

DATE

Re: Release of Lien

The Second Lien Five Year Note on your referenced property has been completed. Enclosed is an executed Release of Lien releasing the 2nd lien on your property, and it is recommended that you file this document with the **Montgomery County Clerk's Office Real Property Records** as soon as possible in order to have the second lien removed from Property Records. If you have any questions regarding this document, please don't hesitate to contact me.

Thank you for your attention to this matter.

Sincerely,

Wendy Dow
Administrative Manager

/enc

ANNUAL RECERTIFICATION OF RESIDENCY LETTER TO HOMEBUYER

MONTGOMERY COUNTY COMMUNITY DEVELOPMENT DEPARTMENT
HOMEBUYERS PROGRAM
RECERTIFICATION OF RESIDENCY

Date: April 11, 2014

Martha Price
12510 Gulf Coast Rd.
Willis, TX 7737856

DATE OF ASSISTANCE: 04/25/2012
AMOUNT OF ASSISTANCE: \$14,500.00
AMOUNT AMORTIZED: \$0.00
AMOUNT REMAINING: \$14,500.00

The undersigned hereby certifies that she is still the owner of 12510 Gulf Coast Road, living in the home; and the house is her principal residence. In receiving assistance through the Montgomery County Homebuyers Assistance Program you agreed to the following:

Deed of Trust— Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application Section 6: Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty (60) days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

To Comply with the Department of Housing and Urban Development's (HUD) recertification compliance, Community Development staff will monitor and recertify residence on a yearly and/or random basis to ensure Homeowner compliance as described in the Deed of Trust-Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application Section 6.

Please fill out the section below and mail back entire document in the enclosed self addressed envelope to the Community Development Department as described and agreed on in original contract.

TITLE 18, SECTION 1001 OF THE U.S. CODE OF STATES THAT A PERSON IS GUILTY OF FELONY FOR KNOWINGLY AND WILLINGLY MAKING FALSE OR FRAUDULENT STATEMENTS TO ANY DEPARTMENT OF THE UNITED STATES GOVERNMENT AND MAY BE FINED OR IMPRISONED FOR NOT MORE THAN FIVE YEARS OR BOTH.

 I AM MAINTAINING THE ABOVE REFERENCED PROPERTY AS MY PRIMARY RESIDENCE.

 I AM NOT MAINTAINING THE ABOVE REFERENCED PROPERTY AS MY PRIMARY RESIDENCE. IT CEASED TO BE MY PRIMARY PLACE OF RESIDENCE ON ____ / ____ / ____ (DATE)

Home Telephone Number: _____ Cell Phone Number: _____
Business Telephone Number: _____

HOMEOWNER SIGNATURE: _____ DATE: _____

HOMEOWNER SIGNATURE: _____ DATE: _____

Is residence being rented? Yes No

If Yes, write the name of the current renter: _____ Name: _____

Who is rent being mailed to: _____ Name: _____

Address: _____

COMPLETED BY (CD STAFF): _____ RECERTIFICATION DATE: _____

For information, call Wendy Dow at 936-442-7753 Para la version en Espanol, ver atras de esta pagina.

Mailing Address: Montgomery Co. Community Development, 501 N. Thompson, Ste 200, Conroe, TX 77301.

RETURN COMPLETE DOCUMENT BY: _____

**HANDOUT:
HOME OF YOUR OWN (HOYO)
PROGRAM OF EASTER SEALS
GREATER HOUSTON
FLYER(S)**



**Home of Your Own (HOYO)
Program of Easter Seals Greater Houston**

HUD-certified Homebuyer's Education provider

\$ 14,500
Down Payment Assistance (Direct Home Subsidy)

Eligibility:

- Meet income guidelines (below 80% Area Median Income)
- Attend a HUD-Approved Homebuyer's Education Class
- Have not owned a home in the last 3 years
- Have a social security number
- Purchase home in Montgomery County (outside the city limits of Conroe)
- Maximum sales price of home is 95% of area median purchase price as set by HUD (\$168,000 existing home, \$200,000 new home)
- Qualify for a fixed-rate FHA, Conventional, USDA, or VA loan with a lender of your choice
- \$14,500 for used or new home construction, built after Jan., 1978

AMI%	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
80%	38,850	44,400	49,950	55,450	59,900	64,350	68,800	73,200

*Assistance (Direct Home Subsidy) contingent upon availability of funds

For more information, please call or e-mail:

281-292-4155 Ext. 209

kthorstenberg@eastersealshouston.org

Or visit our website:

www.eastersealshouston.org



2015 Homebuyer Education Workshop

Time: 9:00 a.m. to Noon

Katy Thorstenberg, Program Coordinator, Easter Seals Greater Houston

Free workshop covering the following topics:

- **Do I qualify for down payment assistance?**
 - Local, state and federal programs are reviewed
 - Eligibility guidelines for down payment programs discussed
- **How much house can I afford?**
 - Qualifying housing ratios calculated
 - Impact of debt/credit history
- **What are the steps in the home buying process?**
 - Loan approval process
 - Choosing lenders, realtors

Dates: Second Saturday of months listed below:

*Feb. 7th *~~Apr. 11th~~
 June 13th
Aug. 8th Oct. 10th

Location: United Way Service Center, 1600 Lake Front Circle, The Woodlands, 77380

.....

This Down Payment Assistance workshop covers the curriculum provided in the morning session of the Homebuyer Education Class. Participants who complete both sessions within 12-months will receive a HUD-certified Homebuyer Education Class certificate required by all down payment assistance programs, bond programs, and mortgage credit certificates.

**To register, call 713-838-9050 Ext. 320,
housingprogram@eastersealshouston.org**



HUD-Approved Agency





2015 Homebuyer Education Class

Morning Session: 9:00 a.m. to Noon

Katy Thorstenberg, Program Coordinator, Easter Seals Greater Houston

Free workshop covering the following topics:

- **Do I qualify for down payment assistance?**
 - Local, state and federal programs are reviewed
 - Eligibility guidelines for down payment programs discussed
- **How much house can I afford?**
 - Qualifying housing ratios calculated
 - Impact of debt/credit history
- **What are the steps in the home buying process?**
 - Loan approval process
 - Choosing lenders, realtors

Afternoon Session: 1:00 pm to 4:00 pm

Presentations by various housing professionals include:

- | | |
|--------------------|-------------------|
| ▶ Mortgage lenders | ▶ Home inspectors |
| ▶ Insurance agents | ▶ Realtors |

Dates: Second Saturday of months listed below:

Jan. 10 th	Mar. 14 th
May 9 th	July 18 th
Sept. 12 th	Nov. 14 th

Location: United Way Service Center, 1600 Lake Front Circle, The Woodlands, 77380

*****Participants who complete both sessions will receive a HUD-certified Homebuyer Education Class certificate required by all down payment assistance programs, bond programs, and mortgage credit certificates.*****

**To register, call 713-838-9050 Ext. 320,
housingprogram@eastersealshouston.org**



HUD-Approved Agency





Financial Health Checkup

When is the last time you checked your credit history report?

- your credit scores are impacting your future financial goals **NOW!!!**

Do you know the total amount of your monthly household debt?

-your monthly housing expense should be no more than 30% of your gross monthly household income

Do you have a savings plan in place?

- *'paying yourself first'* reaps unexpected benefits over the long-term

Did you know that there is down payment assistance available for first-time homebuyers?

- funds and eligibility are determined by the program

Building \$\$\$ WEALTH \$\$\$ Now for the Future

A free homebuyer education workshop covering these questions and more is offered every second Saturday of the month from 9:00 am to 11:30 am in The Woodlands. For more information, please call or e-mail:

Katy Thorstenberg
Easter Seals Greater Houston
1600 Lake Front Circle
The Woodlands, Tx 77380
281-292-4155 #248
kthorstenberg@eastersealshouston.org



HOME BUYER'S EDUCATIONAL CLASS DEMOGRAPHIC DATA AND CORE CURRICULUM



EASTER SEALS GREATER HOUSTON
Homebuyer's Education Class Demographic Information

NAME: _____

ADDRESS & ZIP CODE: _____

E-MAIL/TELEPHONE: _____

BIRTH DATE: _____ **DISABILITY:** Yes _____ No _____

(Head of Household)

Birth Date of Co-Applicant if applicable: _____

People in Household: _____ **Number & Age of children:** _____

TOTAL ANNUAL HOUSEHOLD INCOME: \$ _____

Monthly Earned Income: \$ _____

Monthly SS,SSI, SSDI monthly amount: \$ _____

Other monthly income: \$ _____

Ethnicity/Race: Please complete the attached form.

GENDER: Male: _____ Female: _____

Marital Status: ☐ Married ☐ Single ☐ Divorced/Separated ☐ Widowed

EDUCATION:

____ Bachelor Degree ____ Graduate Degree ____ HS/GED ____ Non HS Grad ____ Some College

How did you hear about our program? _____

Do you know your present credit history/FICO score? YES _____ NO _____

If yes, what is the score? _____

Do you live, work, or consider purchasing home in Montgomery County? Yes _____ NO _____

How much do you pay in rent? _____

Have you been pre-approved by a lender for a mortgage? YES _____ NO _____

I received information and the brochure *Fair Housing: Equal Opportunity for All* in the Homebuyer Education Class. Yes _____ No _____

Revised 3/5/2013kl





A Program of Easter Seals Greater Houston

Credit Report Authorization and Privacy Disclosure Form

I hereby authorize and instruct Easter Seals Greater Houston to obtain and review my credit report. I understand and agree that ES Greater Houston intends to use the credit report for the purpose of evaluating my needs for financial coaching/counseling. This authorization will remain valid for up to **three (3) years** from the date authorization is signed.

In addition to evaluating my financial readiness to purchase a home, periodically monitoring my progression toward financial readiness and/or in connection with determining my ability to obtain a loan, I further authorize ES Greater Houston to share with referring agencies and/or potential mortgage lenders my credit report in an effort to help me reach my goal of home ownership, owning a business, lowering debt and/or increasing my credit score.

I understand that I may revoke my consent to these disclosures by notifying ES Greater Houston in writing.

Today's Date: _____

Applicant's Name (Print)

Co-Applicant's Name (Print)

Applicant's Name (Signature)

Co-Applicant's Name (Signature)

Complete address

City/State

Zip

Applicant's Social Security Number

Co-Applicant's Social Security Number

Birth Date

Birth Date

Credit Report Authorization and Privacy Disclosure Form

01/29/2012kt

RACE/ETHNICITY FOR CLIENTS SERVED THIS REPORT MONTH:

	NOT HISPANIC	HISPANIC
WHITE -----	_____	_____
BLACK OR ----- AFRICAN AMERICAN	_____	_____
ASIAN -----	_____	_____
AMERICAN INDIAN OR --- ALASKA NATIVE	_____	_____
NATIVE HAWAIIAN OR --- OTHER PACIFIC ISLANDER	_____	_____
AMERICAN INDIAN OR --- ALASKA NATIVE & WHITE	_____	_____
ASIAN & WHITE -----	_____	_____
BLACK OR AFRICAN ----- AMERICAN & WHITE	_____	_____
AMERICAN INDIAN OR --- ALASKA NATIVE & BLACK OR AFRICAN AMERICAN	_____	_____
BALANCE OF OTHER ----- MULTI-RACIAL CITIZENS	_____	_____

Please print your name, address, phone or e-mail. Thank you.

HBLE Sign-in sheet
2/09/12

HOMEBUYER'S EDUCATION CLASS AGENDA
Free 8-hour HUD-certified Homebuyer Education Class
Curriculum based on *Realizing the American Dream*, NeighborWorks, 3rd edition

I. Welcome and Overview of Content Areas

A. Advantages & Disadvantages of Homeownership

1. Rent – to - Own comparisons
2. Debt-to-Income calculation including rent payment
3. Debt-to-Income calculation including mortgage payment
4. Responsibilities & Expectations

B. Preparing for Homeownership

1. Assessment of Present & Future Financial profile
2. Determination of housing affordability
3. Verifying eligibility for down payment assistance
4. Pre-qualification worksheet – calculating maximum mortgage and loan payment amount based on income & debt
5. Mortgage loan process
6. Roles of housing professionals

C. Mortgage Loans

1. Types of Loans
2. Components of Mortgage Payments - PITI
3. Closing costs & bank fees

D. Down Payment Assistance

1. Overview of Down Payment Programs in Greater Houston Area
2. Eligibility guidelines & available funds of each program
3. Secondary financing – structure, nature, and affordability periods of deferrable liens
4. Application process

E. Affordability

1. Four C's of Credit:
Capital, Capacity, Credit History, Collateral
2. FICO scores & impact on mortgage terms & costs

II. Managing Your Money

A. Importance of a Spending Plan

1. Present & Future Needs
2. Savings & Reserves

B. Budgeting Goals

1. Setting target goals for short & long-term savings
2. Establishing sound financial habits
3. Types of savings accounts – IDA plans & eligibility requirements
4. Working out household budget – net income/ expenses

C. Asset Building

1. Magic of Compound Interest
2. Advantages & Disadvantages of Savings products
3. Hidden Costs of high debt-to-income ratio
3. Real Estate Equity Growth projections

III. Understanding Credit

A. Importance of Good Credit

1. Impact on personal & financial goals
2. Improving your credit
3. Establishing credit

B. Credit Reports

1. Interpreting the FICO score
2. Reviewing & verifying your credit history
3. Protecting yourself from Identity Theft

C. Consumer Legal Rights

1. Equal Credit Opportunity Act
2. Truth in Lending Act
3. Fair Credit Billing Act
4. Fair Credit reporting Act
5. Fair Housing rights

IV. Securing a Mortgage Loan

A. Structure & terms of Mortgage

1. Amortization – debt-repayment schedule

- 2. Collateral – appraised vs. market price
 - B. Steps in loan application
 - 1. Importance of research of available resources
 - 2. Pre-approval process – first step in assessing down payment eligibility and loan qualification
 - 3. Loan Application – required documents
 - 4. Underwriting guidelines
 - 5. Loan approval process
 - 6. Closing
 - C. Categories & Types of Loans
 - 1. Conforming vs. Non-Conforming
 - 2. Conventional vs. FHA
 - 3. Prime vs. Sub-prime
 - 4. Fixed-rate vs. Adjustable (ARM)
 - 5. Predatory lending
 - 6. Mortgage terminology
- V. Forms & Documents
- A. Truth in Lending Statement
 - 1. APR – total cost of loan
 - 2. Pre-payment penalty
 - B. Good Faith Estimate
 - 1. Estimate of anticipated costs of loan
 - 2. Correspondence to HUD-1 settlement statement
 - C. HUD-1 Settlement Statement
 - 1. Reviewing & understanding sample HUD-1
 - 2. Settlement fees reviewed
- VI. Shopping for a Home
- A. Roles of Real Estate professionals
 - 1. Broker vs. agents
 - 2. Listing vs. Buyer's vs. dual agent
 - B. Types of Homes

1. Single-family homes
2. Townhouse, Condo, Manufactured, Modular, Duplex
- C. Househunting
 1. How to assess neighborhoods
 2. Research tools
 3. Foreclosures & short-sales
 4. New construction
- D. Pre-purchase process
 1. Escrow period
 2. Hazard, Flood, Mortgage Insurance
 3. Home warranty policies
- E. Homeowner's Insurance
 1. Property protection
 2. Replacement cost vs. actual cash value
 3. Liability protection
- F. Preparing for Closing
 1. Final walk-through inspection
 2. Review of final documents
 3. Funds transfer
- VII. Maintaining your Home
 - A. Home Safety
 1. Fire safety
 2. Emergency numbers
 3. Carbon monoxide detectors
 - B. Energy Efficiency
 1. Energy Star ratings
 2. Researching energy providers
 3. Costs of energy usage of household appliances
 4. How to 'Energize Your Home' – energy efficiency trivia
 - C. Avoiding Foreclosure
 1. Managing mortgage payments

2. Housing counseling resources
3. Forbearance & loan modifications

VIII. Workshop Wrap-up – Individual Plan reviewed

1. Verify down payment assistance eligibility & program preference
2. Outline next steps towards homeownership

**WELCOME TO
HOMEBUYER'S EDUCATION**

Given by

Home of Your Own (HOYO)

Topics to be covered

- Preparing for homeownership
- Managing money
- Asset building
- Understanding credit
- Applying for a mortgage loan
- Shopping for a home
- Maintaining a home
- Making your home energy efficient

Pros and Cons of Buying a Home

Pros

- Gain equity
- Principal and interest payments remain the same
- Tax deductions

Cons

- Depreciation
- Repairs are your responsibility
- Must sell home to move

Steps to Homeownership

- Educate yourself
- Determine how much you can afford to spend
- Verify if you qualify for down payment assistance
- Get your loan pre-approved
- Shop for a home

Steps to Homeownership

...Continued...

- Make an offer
- Apply for the mortgage loan
- Secure the property inspection
- If using down payment assistance, apply for the appropriate program
- Initiate escrow
- Close the loan

Homebuying Team

- Real estate agent
- Lender
- Attorney
- Escrow officer
- Title insurance officer
- Housing inspector
- Appraiser
- Surveyor
- Insurance agent
- Housing counselor

Mortgage

- Promise to repay a loan to buy a home
- Mortgage payment consists of:
 - Principal
 - Interest
 - Taxes
 - Insurance
 - PMI or MIP (if less than 20% down)

Upfront Costs

- Down payment: funds towards the purchase of the home
- Closing costs: settlement charges
- Reserves: funds collected by lender for taxes and insurance held in escrow
- Moving costs
- Ongoing costs: mortgage payment, utilities, and maintenance

Down Payment Assistance

Programs in the Greater Houston Area

- HOYO – People with Disabilities
- HHA – City of Houston
- DAP – Harris County
- SETH – Counties surrounding Harris
- Montgomery County Home Fund program

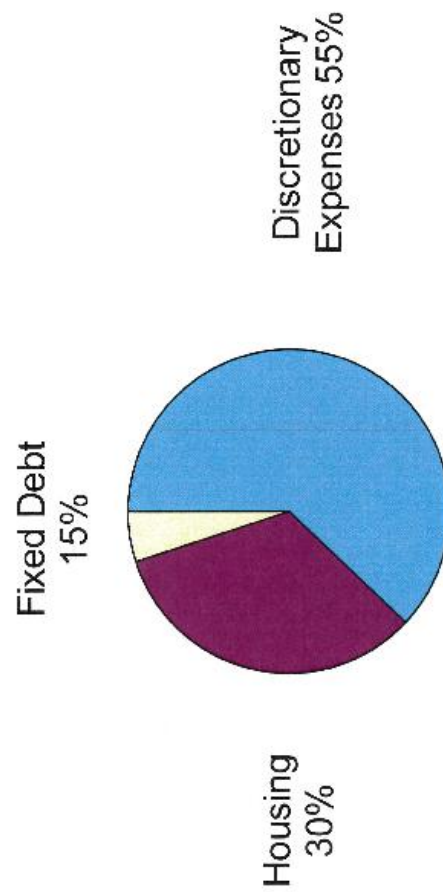
Affordability

- 4 C's of Credit
 - Capacity
 - Credit history
 - Capital
 - Collateral

Housing Affordability

- Housing ratio
 - Maximum % of gross monthly income that can be used for a mortgage payment
 - 31%
- Debt-to-income ratio
 - Maximum % of gross monthly income used for house payment AND all other debts
 - 43%

Debt-to-Income Ratios



Money Management

Spending, Saving
and
Avoiding Debt

Money Management

- Establish a realistic spending plan
- Set goals
- Create a budget

Creating a Budget

- Determine monthly net income
- Calculate monthly expenses
- Subtract monthly expenses from income

Expenses – Debt Load

Expenses

- Fixed – same each month
- Flexible – change monthly

Debt Load

- Outstanding loans
- Cost of Credit

Money Management Tips

- Plan according to your present income
- Plan ahead for six months
- Include some spending money for each family member
- Make your record keeping as simple as possible
- Set aside money for home maintenance
- Pay yourself first, in saving for long-term goals
- Ensure that the whole family agrees to the spending plan

Types of Savings Accounts

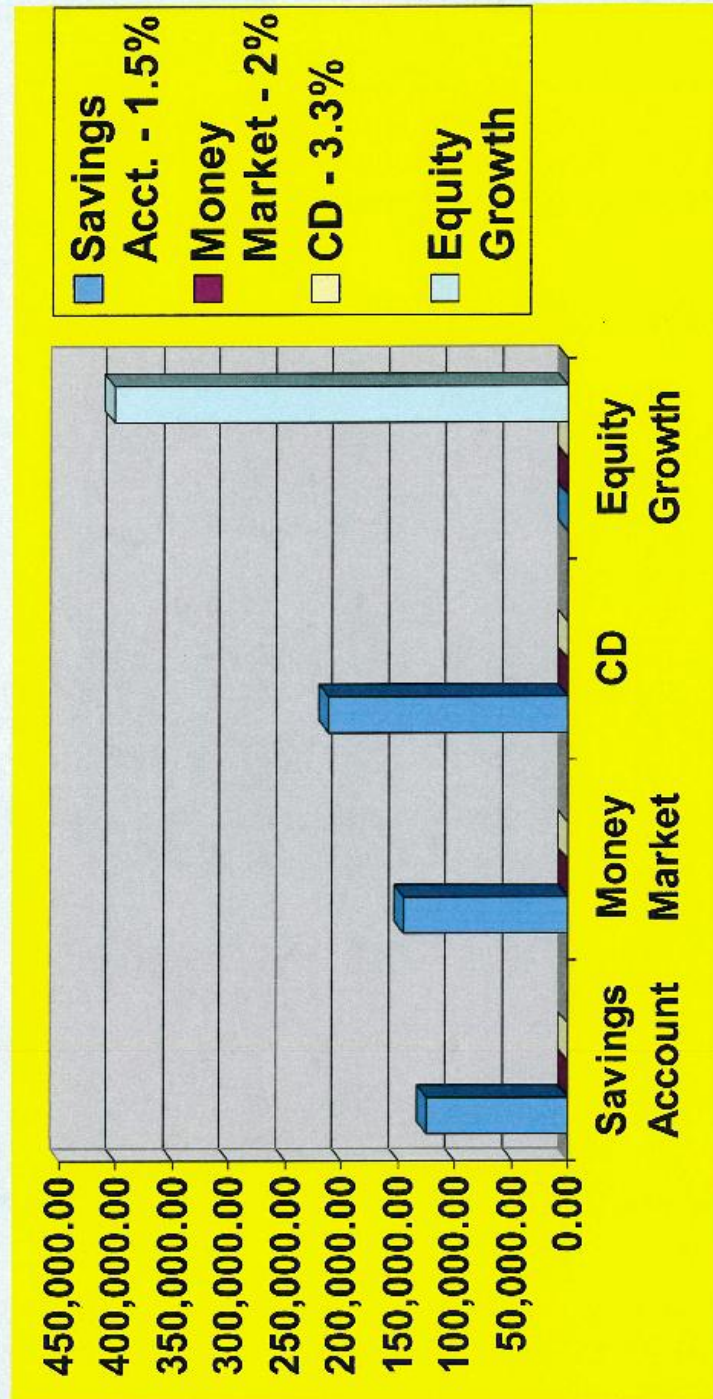
- Regular
- Certificate of Deposit
- Money Market
- Matched savings Accounts
- Individual Development Accounts (IDA)

Asset Building

- Magic of Compound Interest
- Hidden costs of high debt-to-income ratio
- Using income to increase assets
- Home Equity

Comparison of Growth in Assets

- Investment of \$80,000 over 30 year period



Home Equity

- Ownership interest in a property
- Current market value of property minus outstanding loan balance
- Asset may be used as collateral to borrow money
 - Home Equity Loans
 - Reverse Mortgages

Home Equity

- Home equity as a tool to increase assets
- Pros and Cons of “Equity Expectations”
- Real Estate Equity Growth

Understanding Credit

The Impact of Credit on the Consumer

Credit Rating

- How much you have borrowed
- From whom you borrowed
- How well you repaid your debts
- How you are handling current debts

Importance of Good Credit

- Rent or buy things you want or need
- Save money by borrowing at a lower interest rate
- Get a job
- Open a checking account
- Establish utility services in your name
- Obtain insurance at a lower rate

Credit Reporting Agencies

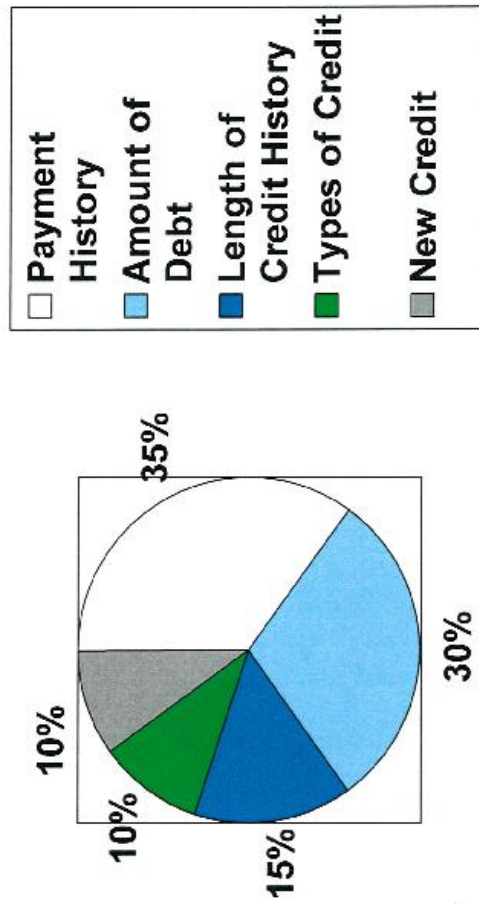
- EXPERIAN
 - 1-888-EXPERIAN (397-3742)
 - www.experian.com
- TRANSUNION LLC
 - Consumer Disclosure Center
 - PO Box 1000
 - Chester, PA 19022
- EQUIFAX
 - 1-800-685-1111
 - www.equifax.com

Credit Scores

FICO score based on the following:

- Payment history (35%)
- Amount of debt (30%)
- Length of credit history (15%)
- Types of credit (10%)
- New credit (10%)

Composition of the FICO Score



Improving your Credit Score

- Correct any inaccurate information
- Pay bills on time
- Minimize debt
- Apply for and open new credit accounts only as needed
- Use credit cards responsibly
- Re-establish credit if you have had problems

Non-traditional Credit

- Rent payments
- Gas, electric and other utility payments
- Childcare or child support payments
- Any other large, recurring expenses

Establishing Credit

- Always pay bills on time
- Open a checking or savings account
- Apply for a limited-use credit card

Identity Theft

To reduce risk:

- Only give out Social Security number when needed
- Be cautious with personal information
- Shred items containing personal information and account numbers
- Keep mail safe
- Store personal information in safe place
- Don't carry unnecessary credit cards or paperwork
- Create unique passwords and PINS
- Pay attention to billing cycles
- Order credit report at least once a year

Mortgage Loan Basics

Steps to Getting a Mortgage

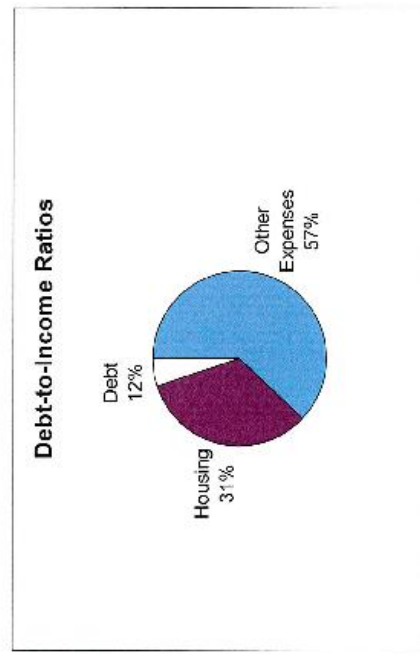
- Research
- Loan Pre-approval
- Loan application
- Loan processing
- Underwriting
- Loan Approval
- Closing

What do lenders look for in granting a loan?

- Can you afford the home you want to buy?
- Are you likely to repay the loan?
- Is the house worth the price you are paying?
- 4 C's of Credit
 - Capital
 - Capacity
 - Credit history
 - Collateral

Affordability Ratios

- Housing ratio
 - 31%
- Debt-to-Income ratio
 - 43%



Types of Loans

Fixed Rate Mortgages

- Conventional

- FHA

- VA

- USDA

Non-fixed rate

- Adjustable-Rate Mortgages

- Balloon-Payment Mortgages

- Graduated Payment Mortgages

- Bi-weekly Mortgages

- Incentive Rate Reduction

Predatory Lending

- Practices may include:
 - High-pressure sales tactics and steering
 - High interest rates and fees
 - Balloon payments and negative amortization
 - “Packing” and padding costs and fees

Protections for Consumers

- **Equal Credit Opportunity Act**
prohibits credit discrimination on the basis of race, color, religion, national origin, sex, marital status, age, or if you receive public assistance
- **Fair Housing Act**
prohibits discrimination in all aspects of residential real-estate transactions

Mortgage Terminology

- Loan to value: loan balance you owe compared to appraised value of house
- Down payment: amount of cash you pay towards purchase price
- Loan term: amount of time you have to pay it off
- Interest rate
- Annual Percentage Rate (APR): total rate you are paying including all fees
- Points: 1% of your loan amount

Mortgage Terminology

- Mortgage Insurance: protects the lender if you do not pay the loan
- Escrow Account: holds taxes and insurance
- Loan Fees: all the expenses a lender will charge
- Prepayment: paying more than monthly cost of mortgage when extra funds available to reduce amount owed on loan
- Rate lock-in: keeps the interest rate the same
- Amortization: gradual repayment of loan by installments

Truth in Lending Statement

Document itemizing terms and cost of mortgage loan including:

- Total finance charge
- Schedule of payments
- Total amount of all payments
- Late payment charges
- Any prepayment penalties
- APR – total cost of loan including interest rate, points, and certain fees

Good Faith Estimate

Document listing anticipated settlement costs

- Total Estimated fees and closing costs
- Corresponds to HUD-1 settlement statement

HUD-1

- Importance of the HUD-1 Settlement Statement
- Understanding a HUD-1

Shopping for a Home

Real Estate Professionals

- Licensed by state
- Different types:
 - Real estate broker
 - Real estate agent
 - Listing agent
 - Buyer's agent
 - Dual agent

Types of Homes

- Detached single-family
- Duplex, Triplex,
- Townhouse or Row House
- Condominium
- Manufactured home
- Modular Housing

Househunting

- Drive through neighborhoods & look for “For Sale” signs
- Read real estate section in newspaper
- Check real estate shopping guides
- Visit open houses
- Visit new home subdivisions
- Look for foreclosed homes
- Utilize internet resources
- Contact non-profit organizations

Escrow

Period of time between signing of the sales contract and closing when the following activities are completed:

- Account is set up to receive deposits
- Loan application is processed
- Appraisal, survey, inspections completed
- Insurance is secured for property

Insurance

- Hazard (homeowner's) insurance
- Flood or special hazard insurance
- Mortgage insurance
- Title insurance
- Mortgage life insurance
- Home warranty policy

Homeowners Insurance - Required -

- Property protection
- Replacement cost vs. actual cash value
- Liability protection

Homeowners Insurance

- Shop & compare insurance quotes
- Review policy periodically
- Required for the life of the mortgage loan
- Impact of credit score on premiums

Mortgage Insurance

- Required with less than 20% down payment
- Protects lender if property enters into foreclosure
- Usually cancelled after reaching 78% loan to value

Loan Pre-approval to Closing

- Verify if you qualify for down payment assistance and identify the program
- Shop for your home
- Secure sales contract and submit to lender
- Complete loan application and submit all documents
- Arrange for inspection of property
- Complete all repairs required
- Arrange for home owner's insurance

Preparing for Closing

- Review HUD-1 Settlement statement
- Arrange transfer of utilities to your name
- Complete a final walk-through inspection
- Get a cashier's check for funds to bring to closing if required
- Sign mortgage documents at closing

Closing

- Documents
 - Final truth-in-lending statement
 - HUD-1 settlement statement
 - Mortgage note
 - Mortgage
 - Affidavits
 - Deed of Trust
 - Title insurance
 - Title abstract
 - Survey of property
 - Escrow analysis

Home Maintenance and Making Your Home Energy Efficient

Home Safety

- Emergency numbers
- Fire safety inspections
- Smoke detectors
- Fire extinguishers
- Safety ladders
- First-aid kit
- Carbon monoxide detectors

Energy Efficiency

- Energy Star – www.energystar.gov
- Energy Star products
- How to 'Energize Your Home'
- Energy providers – www.powertochoose.org

Saving Energy

- Turn out lights
- Replace light bulbs with CFL bulbs
- Install fans in living areas
- Do not use major appliances or bake during heat of the day
- Close doors and windows
- Keep thermostat around 78 in warm season and 72 in cooler months

Keeping Records

- Filing cabinet or fire-safe box
- Collect important legal documents
- Copy of your homeowners insurance policy
- Service contracts and owner's manuals
- Warranties and receipts
- List of model numbers of possessions
- Photos of exterior and interior

Avoiding Foreclosure

- Impact of Foreclosure on the consumer
- Protecting Yourself from Foreclosure
- Housing counseling assistance
 - NeighborWorks Center for Foreclosure Solutions
 - Phone (888) 995-HOPE

Loan Modifications

- Payment Plan
- Forbearance
- Loan modifications

Planning for Homeownership

- ✓ Am I ready to purchase a home?
- ✓ Do I qualify for down payment assistance?
- ✓ What is my next step?
- *Remember the 3 “P”s of Purchasing a Home...*

PLAN PERSEVERANCE PATIENCE

GOOD LUCK!!!!

Katy Thorstenberg
HOYO Coordinator
713-838-9050 Ext. 353

[www.kthorstenberg@eastersealshouston.org](mailto:kthorstenberg@eastersealshouston.org)

Fair Housing Act

Prohibits Discrimination on basis of:

- Race or color
- National origin
- Religion
- Sex
- Familial status
- Handicap (Disability)

Prohibited actions in Sale and/or Rental

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions, or privileges
- Provide different housing services
- Falsely deny housing is available for inspection/sale/rental
- Persuade owners to sell/rent for profit (blockbusting)
- Deny access to a service (i.e., multiple listing service)

Mortgage Lending

Fair Housing provisions prevent Lenders from:

- Discouraging you from applying for a mortgage loan based on race, color, religion, national origin, sex, marital status, age, or you receive public assistance
- Refusing to provide information on loans
- Imposing different terms; ex. Interest rates, points, or fees
- Discriminating in appraisal of property
- Refusing to purchase loan
- Set different terms for purchasing loan

Additional Protections

- Lender May not:
- Consider racial composition of the neighborhood where you wish to live
- Require a co-signer if you meet the lender's standards

Factors Lender **MUST** Consider

- Public assistance income treated the same way as other income
- Reliable Income from part-time employment, Social Security, pensions, annuities
- Reliable alimony, child support
- Accept person other than spouse as co-signer if needed.

Additional Protections

The following are illegal under Fair Housing Act:

- Threaten, coerce, intimidate, interfere with anyone exercising a fair housing right or assisting others exercising that right
- Advertise or make statement that indicates a preference based on race, color, national origin, religion, sex, familial status or handicap (disability)

Protections for People with Disabilities

Your landlord may not:

- Refuse to let you make reasonable modifications to your dwelling or common use areas, at your expense, if necessary , to use the housing
- Refuse to make reasonable accommodations in rules, policies, practices or services if necessary in order to use the housing

To File Housing Discrimination Complaint

Write or call Fair Housing Enforcement Center, U.S.
Department of Housing and Urban Development of
Housing

801 Cherry St., 26th Floor
Fort Worth, Texas 76102
(817) 978-5900 or 1-888-560-8913
Fax (817) 978-5739
TTY 817-978-5595

Fair Housing Act

Prohibits Discrimination on basis of:

- **Race or color**
- **National origin**
- **Religion**
- **Sex**
- **Familial status**
- **Handicap (Disability)**

DOWNPAYMENT ASSISTANCE PROGRAMS

Applicants for down payment assistance programs must:

- Have a gross annual household income below 80% AMI (some exceptions apply)
- Attend a HUD-certified Homebuyer's Education Class
- Home must be your principal residence
- Have not owned a home within the last three (3) years *except HHA program
- Pre-qualify for a mortgage loan

Geographic area of home determines the program

Home of Your Own (HOYO)

www.eastersealshouston.org

713-838-9050

Harris County, outside the city limits of Houston
Montgomery County, Ft. Bend County, Liberty

Montgomery County Home Fund Program

www.eastersealshouston.org

Montgomery County outside the city limits of Conroe 281-292-4155 ExL 209

Downpayment Assistance Program (DAP)

www.hrc.hctx.net/dap.htm

Harris County, outside city limits of Houston
H.O.M.E. program

713-578-2210

www.harriscountyhome.hctx.net

Houston Homebuyer Assistance Program (HHA)

Inside city limits of Houston

713-522-4663

<http://www.houstontx.gov/housing/index.html>

Southeast Housing Finance Corp. (SETH)

www.sethfc.com

281-484-4663

5 Star Texas Advantage program covering all counties except city of El Paso

Home of Your Own (HOYO)

- At least 1 member in the household has a disability
- *Up to* \$20,000 per family
- Purchase home in Harris County (outside the city limits of Houston), Montgomery, Ft. Bend, Liberty counties
- Homes built after Jan. 1, 1978, Max. sales price \$200,160
- Mortgage loan – Conventional or VA, 10 year forgivable loan (if more than \$15,000)
- Application made through a Easter Seals housing counselor

Montgomery County Home Fund Program

- \$14,500 home built after Jan. 1, 1978
- Montgomery county outside city limits of Conroe
- FHA, Conventional, VA, USDA, 5-year forgivable loan

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- Application through Easter Seals housing counselor

Downpayment Assistance Program (DAP)

Harris County Program

- Up to \$23,800 built within last 12 years
- Affordability period – 5 year, if less than \$14,999, 10 years more than \$14,999
- Conventional, FHA, VA, At least one credit score of a minimum of 620
- Application made through a participating lender

Houston Homebuyer Assistance Program (HAP)

City of Houston Program

- Gross annual income up to 80% AMI
- Must apply through Houston's Community Development Dept.(HCDD)
- Amount to be determined

City of Houston – Workforce Housing

- Amount to be determined
- Houston Hope and Revitalization Areas: Near Northside Neighborhood
Acres Home - Clinton Park - Fifth Ward - Independence Heights - Magnolia
Settegast - Sunnyside - Third Ward - Trinity/Houston Gardens
- New construction, sales price maximum \$150,000
- Gross annual income below 110% AMI

Southeast Texas Housing Finance Corporation (SETH)

- Application through a SETH housing counselor
- 5 Star Texas Advantage Program – up to 6% grant of loan amount
- Anywhere in Texas except El Paso – (less than \$79,695 per household)
- Harris & contiguous counties- \$79,695 (Brazoria and Austin county – income less than \$92,460 and \$74,980, respectively)
- NOT a first-time homebuyer requirement

TEXAS STATE BOND FUNDS & MCC

Texas Dept. of Housing and Community Affairs

www.tdhca.state.tx.us

First Time Homebuyer Programs (TMP-79)

800-792-1119

Income limit - \$69,300 (1-2 members), \$79,695 (3+members)

5% loan amount as Second lien repayable

MCC – Mortgage Credit Certificates – Tax credit of 40% of interest

Texas State Affordable Housing Corporation

www.tsahc.org

888-638-3555

Income limit - \$55,440 (any family size)

Home for Heroes - \$79,695 any family size

3,4, or 5% loan amount – grant depending on interest rate

MCC – Mortgage Credit Certificates m- Tax credit of 40% of interest

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2015 Area Medium Income

The Area Medium Income is used by all down payment assistance programs to determine eligibility of prospective homebuyers. The family's gross annual household income must be below 80% AMI to qualify for most down payment assistance, with some exceptions which allow income up to 120% AMI.

The chart below is applicable for individuals purchasing homes in the Greater Houston area, which would include Harris, Montgomery, Ft. Bend and other surrounding counties.

Local Down Payment Assistance Programs

AMI%	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
50%	24,300	27,750	31,200	34,650	37,450	40,200	43,000	45,750
80%	38,850	44,400	49,950	55,450	59,900	64,350	68,800	73,200
120%	55,950	63,950	71,950	79,900	86,300	92,700	99,100	105,500

State Bond Programs

Texas Department of Housing and Community Affairs (TDHCA)
Texas State Affordable Housing Corporation (TSAHC)

Non-Targeted Areas	100% AMFI 1 or 2 persons	115% AMFI 3 or more Persons
TDHCA – My First Texas Home (TMP-79) Texas Mortgage Credit Certificate	\$69,300	\$79,695
TSHAC Home Sweet Home	<80% AMI per chart above	
TSAHC – Home For Heroes	Any family size - \$79,695	

Mortgage Credit Certificate

Federal Income Tax credit up to \$2,000 annually

1% MCC Issuance fee

\$75. Commitment Fee

Provided by: SETH, TDHCA, TSHAC, First Southwest Company (www.FSCHousing.com)

6/8/2015kt

①

Worksheet: Calculating Your Gross Monthly Income (GMI)

If you are paid:

Hourly	\$ _____ x _____ pay before deductions \$ hours you work in 1 week	x 52 weeks + 12 months =	\$ _____ gross monthly income
Weekly	\$ _____ pay before deductions	x 52 weeks + 12 months =	\$ _____ gross monthly income
Bi-weekly	\$ _____ pay before deductions	x 26 + 12 months =	\$ _____ gross monthly income
Twice a month	\$ _____ pay before deductions	x 24 + 12 months =	\$ _____ gross monthly income
Once a month	\$ _____ pay before deductions		\$ _____ gross monthly income
Not regularly	\$ _____ income from last year's tax return before deductions	+ 12 months =	\$ _____ gross monthly income
Other gross monthly income Include gross monthly income from all other borrowers			\$ _____
Total Gross Monthly Income			\$ _____

Calculation of Present Household Debt-to-Income Ratio

Gross Monthly Household Income (all sources of income) (1) _____

Monthly Household Debt Payments

Rent _____

Car Payment _____

Student Loan _____

Child support _____

Credit Card Debt _____

(Total minimum required payments) _____

Other Debt obligations _____

TOTAL HOUSEHOLD DEBT OBLIGATIONS (2) _____

[Divide total debts (line 2) by household income (line 1)]

Household Debt to Income Ratio (3) _____

Calculation of Present Housing Expense Ratio

Gross Monthly Household Income (all sources of income) (1) _____

Monthly Housing Expenses

Rent _____

Monthly Utilities _____

Monthly Renter's Insurance _____

Total Housing Expenses (2) _____

[Divide housing expense (line2) by income(line 1)]

Housing Expense Ratio (3) _____

Monthly Spending Plan

Monthly Spending Plan

This spending plan is broken down into the following types of expenses: fixed, periodic fixed, flexible and indebtedness. Depending on your situation, some expenses (for example, a cell phone) may be considered flexible rather than fixed. Be sure to adjust the categories to best reflect your needs and lifestyle.

MONTHLY EXPENSE		BUDGETED AMOUNT	ACTUAL SPENT	DIFFERENCE
Housing	Fixed Expenses			
	Rent or Mortgage			
	Heating (gas or oil)			
	Electricity			
	Telephones (landlines and cell phones)			
Transportation	Other			
	Gas			
	Car Payment			
	Public Transportation or Taxi			
	Parking and Tolls			
Insurance	Other			
	Health (medical and dental, if not payroll deducted)			
	Life			
Childcare	Disability			
	Other			
	Childcare or Babysitters			
Housing	Child Support or Alimony			
	Fixed Expenses Subtotal			
	Periodic Fixed Expenses (divide annual payment by 12)			
Transportation	Renters or Homeowners Insurance (if not included in mortgage)			
	Water or Sewage			
	Trash Service			
Food	Other			
	Car Insurance			
	Car Inspection			
	Car Repairs and Maintenance			
	License Plates and Registration Fees			
Housing	Other			
	Periodic Fixed Expenses Subtotal			
	Flexible Expenses			
Medical	Groceries			
	School Lunches			
	Work-Related (lunches and snacks)			
Savings	Other			
	Home Maintenance and Furnishings			
	Cleaning Supplies			
Clothing	Lawn Care			
	Other			
	Doctor			
Savings	Dentist			
	Prescriptions			
	Other			
Clothing	Emergency Fund			
	Down Payment Fund			
	Clothing			
Clothing	Laundry and Dry Cleaning			
	Other			

Managing Your Money

MONTHLY EXPENSES	BUDGETED AMOUNT	ACTUAL SPENT	DIFFERENCE	
<i>Flexible Expenses, cont.</i>				
Tuition				Education
Books, Papers and Supplies				
Newspapers and Magazines				
Lessons (sports, dance, music)				
Other:				
Religious or Charity				Donations
Other (if not payroll deducted):				
Birthdays				Gifts
Holidays				
Other:				
Barber or Beauty Shop				Personal
Toiletries				
Children's Allowances				
Tobacco Products				
Beer, Wine, Liquor				
Other:				
Movies, Sporting Events, Concerts, Theater, Etc.				Entertainment
Video Rentals				
Internet Service				
Cable/Satellite TV				
Restaurants and Take-Out Meals				
Gambling or Lottery Tickets				
Fitness or Social Clubs				
Vacations/Trips				
Hobbies or Crafts				
Other:				
Checking Account Fees, Money Order Fees, Etc.				Miscellaneous
Pet Care or Supplies				
Postage				
Pictures and Photo Processing				
"Mail" Money				
Other:				
Flexible Expenses Subtotal				
<i>Irregular/Unusual Expenses</i>				
Student Loan				Debts
Credit Card (monthly minimum*)				
Credit Card (monthly minimum)				
Credit Card (monthly minimum)				
Medical Bills				
Personal Loan				
Other:				
Indebtedness Subtotal				
Total Monthly Expenses (fixed + periodic fixed + flexible + indebtedness)				
Income				Source: CreditSmart by Freddie Mac
Total Monthly Net Income				
Additions, Savings				
Amount Left Over for Savings (total monthly net income - total monthly expenses)				

* Although it is strongly recommended that you pay more than the monthly minimum payment due, lenders will use this amount when calculating monthly debt obligations.

STEP 1

Assess Your Financial Situation

To start your self-assessment, and motivate yourself to do better, complete the following quiz. Mark A for Always, S for Sometimes, and N for Never.

As a rule, do you:

- | | A | S | N | |
|--|--------------------------|--------------------------|--------------------------|-----|
| 1. Pay the rent/mortgage payment and utility bills on time? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ___ |
| 2. Save ten percent of your net income? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ___ |
| 3. Try to keep three months of your net income in reserve for emergencies? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ___ |
| 4. Plan ahead for large expenses such as taxes and insurance? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ___ |
| 5. Set goals and keep a budget for your net income? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ___ |
| 6. Spend no more than 20 percent of your net income for credit payments, excluding home mortgage? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ___ |
| 7. Comparison shop for the purchase of most items? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ___ |
| 8. Use credit only for expensive purchases or when you have the money in the bank to cover the charge? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ___ |
| 9. Balance your checkbook every month? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ___ |
| 10. Keep yourself financially updated by reading consumer articles? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | ___ |

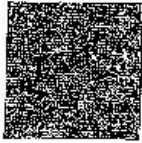
TOTAL _____

Scoring: Add your points using the column provided. Never = 0 points, Sometimes = 1 point, Always = 2 points. How do you rate?

0 - 10 Points: Indicates a need to take control of your finances. Develop and practice better money management skills.

11 - 15 Points: Reflects a good effort to manage your money effectively. Determine what changes can be made to improve your financial well-being.

16 - 20 Points: Demonstrates ability to manage your finances successfully. Continue to make money management a priority in your household.



When you are creating a financial plan, you should cover your basic needs first. You may want it all, and now, but realistically most of us have to spread money expenditures out over a period of time. This next exercise will help you establish your financial priorities from a list of wants and needs you create.

Before you begin making your list, note the difference between "needs" and "wants." A need is a necessity, something you cannot do without. It satisfies the basic requirement of food, clothing, and shelter, and includes items such as auto insurance, car and home maintenance. A want is something that is nice to have, but is not a necessity of life. Sometimes wants are things friends have or items advertised that attract your attention.

After you make your list, then you can prioritize it by deciding which items you want or need to accomplish first. As you begin prioritizing, remember your basic needs should be met before money is spent on wants.

Provided below is a list of items that might be useful in getting you started, but there are also blank spaces to record your wants and needs. Write down each item, then check whether the item is a want or a need. Rank the item's priority based on urgency or importance. Place a 1, 2, or 3 (1 indicating the highest priority and 3 indicating the lowest priority) in the space provided under the column labeled rank.

NEED	WANT	RANK (1, 2, or 3)
<input type="checkbox"/>	<input type="checkbox"/>	_____ Starting/maintaining a savings account
<input type="checkbox"/>	<input type="checkbox"/>	_____ Paying all secured debt on time
<input type="checkbox"/>	<input type="checkbox"/>	_____ Saving for a down payment on a house
<input type="checkbox"/>	<input type="checkbox"/>	_____ Buying a car
<input type="checkbox"/>	<input type="checkbox"/>	_____ Starting/increasing deposits into a retirement fund
<input type="checkbox"/>	<input type="checkbox"/>	_____ Taking a vacation
<input type="checkbox"/>	<input type="checkbox"/>	_____ Having money for entertainment/recreational activities
<input type="checkbox"/>	<input type="checkbox"/>	_____ Repaying all unsecured debt within a reasonable time frame
<input type="checkbox"/>	<input type="checkbox"/>	_____ Establishing/maintaining an emergency fund
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Is Your Credit Under Control?

● Is your credit use under control?

Credit is one of the most important financial tools you have. Used wisely, credit can be a great tool, but mismanaged, credit can cause financial hardship and severe stress. To assess your skill at managing credit and debt, take the following quiz.

1. Are you borrowing money or using credit cards to pay for items that you formerly purchased with cash? ☐ YES ☐ NO
2. Is more than 20 percent of your net income going to pay debts (excluding home mortgage payments)? ☐ YES ☐ NO
3. Are you paying bills with money intended for something else? ☐ YES ☐ NO
4. Are you dipping into your savings to pay current bills? ☐ YES ☐ NO
5. If you, or your spouse lost your job, do you have less than three months' take-home pay in a savings account? ☐ YES ☐ NO
6. Can you usually make only the minimum payment on your credit cards? ☐ YES ☐ NO
7. Are you extending repayment schedules? (i.e., paying bills in 60 or 90 days that you once paid in 30 days?) ☐ YES ☐ NO
8. Are you near, at, or over the limit on your credit cards? ☐ YES ☐ NO
9. Do you take out a new loan before the old one is paid off or take out a new one to pay off an existing loan? ☐ YES ☐ NO
10. Are you unsure of how much you owe (within \$50)? ☐ YES ☐ NO
11. Do you habitually pay your bills late? ☐ YES ☐ NO
12. Do you charge more each month than you make in payments? ☐ YES ☐ NO
13. Do you use a cash advance on one credit card to make payments on other credit cards? ☐ YES ☐ NO
14. Has a collection agency called recently about an overdue bill? ☐ YES ☐ NO
15. Are you threatened with repossession of your car, cancellation of your credit cards, or other legal actions? ☐ YES ☐ NO

SCORING:

If you answered "no" to all questions, you know how to manage credit well.

If you answered "yes" to any of the questions 1 through 10, you should cut back on credit use and be alert for other signs of overspending. Consider getting help in drawing up a realistic budget.

If you answered "yes" to any of the questions 11 through 15, you may be in serious trouble. Act now to take control of your finances and consider credit counseling.



Debt Load Worksheet

If you think that your debt load is preventing you from reaching your goals, start now to reduce your debt. Determine exactly how much you currently owe. Use the space below to list all outstanding debt, such as credit union, car, student, and personal loans, and any which you have stopped paying. Arrange your accounts in order, from the highest to the lowest annual percentage rate (APR) charged. Do not include mortgage or rent payments.

If you are able to commit extra income to accelerate your debt repayment, add this to the total minimum payments. When one account is paid off, use that money to increase the payment on the account at the top of the list. Make at least the minimum payment each due date on all outstanding accounts and continue this process until all debts are paid in full.

	Creditor	Account #	APR	Current Balance	Minimum Payment	Due Date
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
Total						

FACT: Ignoring debt will not make it go away. In general, unresolved or untended debt will worsen over time.

TIP: If you are experiencing financial difficulty, be proactive. Contact creditors to make arrangements or seek credit counseling.

BUDGET

Easter Seals Greater Houston – Jan., 2015

HOUSEHOLD INCOME

Earned Income \$

SS Benefits \$

Other income sources \$

TOTAL MONTHLY INCOME \$

FIXED EXPENSES

Auto

Auto Insurance \$

Gas \$

Inspection & Fees \$

Indebtedness

Personal loans \$

Credit Card monthly minimums

Housing Payment

Rent or Mortgage

Childcare \$

Medical

Doctor/Dentist \$

Prescriptions \$

Insurance

Medical \$

Life \$

Other \$

Utilities

Electricity \$

Gas \$

Water \$

Phone \$

Internet \$

TV \$

Discretionary Expenses

Groceries \$

Dining \$

Household (Misc.) \$

Clothing \$

Charity \$

Vacations \$

Pet care \$

Savings \$

TOTAL MONTHLY EXPENSES \$

Monthly Net Income \$

(total monthly income – total monthly expenses)

NAME

Date



Build Financial Independence!

Buy a Home!

Double your Money in an IDA Matched Savings Account

How it Works

Covenant equips working families to thrive financially and secure assets for intergenerational resilience by using credit wisely, saving for future needs, acquiring affordable homes, and accessing quality education. Over 400 qualifying families have also received a savings match and other assistance to buy a home. Covenant's proven tools help families achieve these goals. The steps to success include:

1. Open a no-cost individual development savings account (IDA).
2. Attend no-cost classes to build credit and homeownership skills.
3. Create a personalized savings and credit plan, home plan, and plan to thrive financially with help from an asset coach.
4. Implement your plans and acquire your home. Families meeting matched savings eligibility may also receive a match on up to \$2,000 of their savings, plus help with other available assistance.
5. Attend a post-purchase class on succeeding as a homeowner.

Families receiving a home savings match may also receive coaching and matched savings to help with their children's education.

Matched Savings Eligibility

- Seeking a home in the Houston MSA within 3 years.
- Earn less than the income limits (2015 limits in chart to right).
- 18 or more years of age with a Social Security number or ITIN.

Get Started

- Download an application at www.CovenantCapital.org, or
- Email info@covenantcapital.org
- Call 832.879.2200

Matched Savings 2015 Income Limits*

Household Size	Income (\$)
1	23,540
2	31,860
3	40,180
4	48,500
5	56,820
6	65,140
7	73,460
8	81,780

* Find adjusted income on line 37 of your Form 1040, line 21 on Form 1040A or line 4 on 1040EZ tax return.



United Way of Greater Houston

Helping families THRIVE

Covenant is nonprofit and Houston's oldest U. S. Treasury certified Community Development Financial Institution. Individuals, businesses, banks, the United Way, Texas Attorney General, and U. S. Department of Health and Human Services underwrite Covenant's proven tools to help striving families build financial resilience and reduce dependence.

Covenant Community Capital Corporation
3300 Lyons Avenue, Suite 203, Houston, Texas 77020
www.CovenantCapital.org

2015 Poverty Guidelines

U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs

[[Federal Register Notice, January 22, 2015](#) — Full text]

[[Prior Poverty Guidelines and Federal Register References Since 1982](#)]

[[Frequently Asked Questions](#) (FAQs)]

[[Further Resources on Poverty Measurement, Poverty Lines, and Their History](#)]

[[Computations for the 2015 Poverty Guidelines](#)]

There are two slightly different versions of the federal poverty measure:

- The **poverty thresholds**, and
- The **poverty guidelines**.

The **poverty thresholds** are the original version of the federal poverty measure. They are updated each year by the **Census Bureau**. The thresholds are used mainly for statistical purposes — for instance, preparing estimates of the number of Americans in poverty each year. (In other words, all official poverty population figures are calculated using the poverty thresholds, not the guidelines.) [Poverty thresholds since 1973 \(and for selected earlier years\)](#) and [weighted average poverty thresholds since 1959](#) are available on the Census Bureau's Web site. For an example of how the Census Bureau applies the thresholds to a family's income to determine its poverty status, see "[How the Census Bureau Measures Poverty](#)" on the Census Bureau's web site.

The **poverty guidelines** are the other version of the federal poverty measure. They are issued each year in the *Federal Register* by the **Department of Health and Human Services** (HHS). The guidelines are a simplification of the poverty thresholds for use for administrative purposes — for instance, determining financial eligibility for certain federal programs. The [Federal Register notice of the 2015 poverty guidelines](#) is available.

The poverty guidelines are sometimes loosely referred to as the "federal poverty level" (FPL), but that phrase is ambiguous and should be avoided, especially in situations (e.g., legislative or administrative) where precision is important.

Key differences between poverty thresholds and poverty guidelines are outlined in a table under [Frequently Asked Questions](#) (FAQs). See also the [discussion of this topic](#) on the Institute for Research on Poverty's web site.

The following figures are the 2015 HHS poverty guidelines which are scheduled to be published in the *Federal Register* on January 22, 2015. (Additional information will be posted after the guidelines are published.)

2015 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA	
Persons in family/household	Poverty guideline
For families/households with more than 8 persons, add \$4,160 for each additional person.	
1	\$11,770
2	15,930
3	20,090
4	24,250
5	28,410
6	32,570
7	36,730
8	40,890

For Your Protection: Get a Home Inspection

Name of Buyer _____

Property Address _____

What the FHA Does for Buyers... and What We Don't Do

What we do: FHA helps people become homeowners by insuring mortgages for lenders. This allows lenders to offer mortgages to first-time buyers and others who may not qualify for conventional loans. Because the FHA insures the loan for the lender, the buyer pays only a very low down-payment.

What we don't do: FHA does not guarantee the value or condition of your potential new home. If you find problems with your new home after closing, we can not give or lend you money for repairs, and we can not buy the home back from you.

That's why it's so important for you, the buyer, to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

Appraisals and Home Inspections are Different

As part of our job insuring the loan, we require that the lender conduct an FHA appraisal. An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. The lender does an appraisal for three reasons:

- to estimate the value of a house
- to make sure that the house meets FHA minimum property standards
- to make sure that the house is marketable

Appraisals are not home inspections.

Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information than an appraisal—information you need to make a wise decision. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- evaluate the physical condition: structure, construction, and mechanical systems
- identify items that need to be repaired or replaced
- estimate the remaining useful life of the major systems, equipment, structure, and finishes

What Goes Into a Home Inspection

A home inspection gives the buyer an impartial, physical evaluation of the overall condition of the home and items that need to be repaired or replaced. The inspection gives a detailed report on the condition of the structural components, exterior, roofing, plumbing, electrical, heating, insulation and ventilation, air conditioning, and interiors.

Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.

I understand the importance of getting an independent home inspection. I have thought about this before I signed a contract with the seller for a home.

X _____ X _____
Signature & Date Signature & Date

Form HUD-92564-CN
(2/99)

Part 3: Comprehensive Valuation Package
Homebuyer Summary

Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0188 (exp. 04/30/03)

Case Number: _____
Property Address: _____

Important NOTICE TO THE HOMEBUYER Read Carefully

As part of our job insuring the mortgage for the lender, the FHA requires the lender to conduct an appraisal to:

- estimate the value of your potential new home
- make sure it meets minimum FHA standards
- ensure that it will be marketable

Appraisals are different from home inspections. Home inspections give more detailed information about your potential new home.

This report is a summary of the observations of an appraiser who visited the property. If there was a problem, the appraiser answered "NLS" under "Problem".

If any condition is marked (yes), it means that the property you want to buy does not currently meet FHA's Minimum Property Standards. Until this condition is resolved, your lender may not provide you with an FHA insured loan consistent with FHA procedures.

You should speak to your lender about how this situation needs to be handled. You should also make sure that you are confident that the physical condition of this property meets all of your expectations.

For a copy of the full appraisal, contact your lender.

If you have any questions, call us at 1-800-569-4287.

Physical Condition	Problem (Y)	Comments
Site Hazards		
Soil Contamination		
Grading and Drainage Problems		
Well, Individual Water Supply and Septic Problems		
Wood Destroying Insects		
Private Road Access and Maintenance Problems		
Structural Deficiencies		
Foundation Deficiencies		
Roofing Deficiencies		
Mechanical Systems Problems		
General Health and Safety Deficiencies		
Deteriorated Paint		

The conditions listed above are reflected on the Valuation Conditions Form (Part 2 of the Comprehensive Valuation Package) of this appraisal. The lender is required to transmit this Notice to the Homebuyer form to the buyer at least five business days prior to loan closing.

X _____
FHA-Registered Appraiser Signature ID Number Valuation Date

Homebuyer acknowledges receipt of Part 3: Summary.

X _____

X _____
Homebuyer (s) Signature(s) Date Received

Form HUD-92564-HS
(8/99)

NOTICE TO THE LENDER

Case Number: _____

All required repairs must be completed in a professional manner, in compliance with HUD's guidelines and satisfied prior to closing. The lender is responsible for coordinating repairs. A professionally licensed, bonded, registered engineer, licensed home inspector or appropriately registered/licensed trades person, as applicable, must provide documentation that all deficiencies have been acceptably corrected upon completion of repairs.

SITE CONSIDERATIONS

VC-1 SITE HAZARDS AND NUISANCES

Check the appropriate response for readily observable evidence of hazards. Hazards, as defined below, are conditions that endanger the health and safety of the occupants and/or the marketability of the property. Use these criteria to determine the extent of the hazard. Please refer to HUD Handbook 4150.2 Section 2-2 for unacceptable locations and the protocol in Appendix D of the Handbook for further guidance. If the required component is not visible during the site visit, provide a detailed comment.

Provide a description of yes responses on Page 4:

- Surface evidence of subsidence/sink holes
() yes () no
- Operating oil or gas wells within 350 feet of existing construction
() yes () no
- Operating oil or gas wells within 75 feet of new construction
() yes () no
- Abandoned oil or gas well within 10 feet of new/existing
() yes () no
- Readily observable evidence of slush pits
() yes () no
- Excessive noise or hazard from heavy traffic area
() yes () no
- New/proposed construction in airport clear zone
() yes () no
- High-pressure gas or petroleum lines within 10 feet of property
() yes () no
- Overhead high voltage transmission lines within engineering (designated) fall distance
() yes () no
- Excessive hazard from smoke, fumes, offensive noises or odors
() yes () no
- New/proposed construction in Special Flood Hazard Areas without LOMA or LOMR
() yes () no
- Stationary storage tanks with more than 1000 gallons of flammable or explosive material
() yes () no

PROPERTY CONSIDERATIONS

Mark "YES" for any readily observable deficiency noted below. Mark "YES" constitutes a limiting condition on the appraisal. Each condition requires repair or further inspection. These conditions must be satisfied prior to closing for the mortgage to be eligible for FHA mortgage insurance. Please refer to HUD Handbook 4150.2, Section 8-6 for guidelines on HUD's General Acceptability Criteria. Also, refer to the protocol in Appendix D of the Handbook for repair and inspection requirement parameters.

VC-2 SOIL CONTAMINATION

Check the appropriate response for evidence of environmental contamination.

Provide a description of yes responses on Page 4:

- On-site septic shows observable evidence of system failure
() yes () no
- Surface evidence of an Underground Storage Tank (UST)
() yes () no
- Proximity to dumps, landfills, industrial sites or other locations that could contain hazardous materials
() yes () no
- Presence of pools of liquid, pits, ponds, lagoons, stressed vegetation, stained soils or pavement, ditches or ditches
() yes () no

VC-3 GRADING AND DRAINAGE

Check the appropriate response for evidence of topographical problems.

Provide a description of yes responses on Page 4:

- Grading does not provide positive drainage from structure
() yes () no
- Standing water proximate to structure
() yes () no

VC-4 WELL, INDOOR WATER SUPPLY AND SEPTIC

Check the appropriate response with regard to individual wells and septic system.

Provide a description of yes responses on Page 4:

- Property lacks connection to public water
() yes () no
- Property lacks connection to a public/community water system
() yes () no

* Lender will require water testing for "yes" response.

NOTE: Correction should be made to public or community water/sewer disposal system. Estimate distance to sewer or water hook-up and whether hook-up is practical.

VC-5 WOOD DESTROYING INSECTS

Check the appropriate response for evidence of wood infestation.

Provide a description of yes responses on Page 4:

- Structure and accessory buildings are ground level and/or wood is touching ground
() yes () no
- The house and/or other structures within the legal boundaries of the property show obvious evidence of active termite infestation
() yes () no

VC-6 Private Road Access And Maintenance
Check the appropriate response for evidence of Private Road Access and maintenance problems. Provide a description of yes responses on Page 4:

a. Property inaccessible by foot or vehicle
() yes () no

b. Property accessible only by a private road or drive*
() yes () no

c. Property is not provided with an all-weather surface (gravel is acceptable).
() yes () no

*In all cases where a private road exists, submit evidence that _____
(name of road)
is protected by a permanent recorded easement (non-exclusive, non-revocable roadway, driveway easement without trespass from the property to a public street/road) and that there is an acceptable maintenance agreement recorded on the property.

Provide a detailed description of the road's condition:

VC-7 STRUCTURAL CONNECTIONS
Check the appropriate response for evidence of structural condition problems. Provide a description of yes responses on Page 4:

- Floor Support Systems
- a. Significant cracks
() yes () no
- b. Evidence of water leakage or damage
() yes () no
- c. Rodent infestation
() yes () no
- Trimming/Walls/Ceilings
- d. Significant cracks
() yes () no
- e. Visible holes in exposed areas that could effect structure
() yes () no
- f. Significant water damage
() yes () no
- Attic
- g. Evidence of holes
() yes () no
- h. Support structure not intact or damaged
() yes () no
- i. Significant water damage visible from interior
() yes () no
- j. No ventilation by vent, fan or window
() yes () no

VC-8 FOUNDATION
(Appraiser must have full access to these areas)
Check the appropriate response for evidence of foundation/basement or crawl space problems. Provide a description of yes responses on Page 4:

Foundation/Basement

a. Inadequate access
() yes () no

b. Evidence of significant water damage
() yes () no

c. Significant cracks or erosion in exposed areas that could effect structural soundness
() yes () no

() yes () no

Crawl Space

- d. Inadequate Access
() yes () no
- e. Space inadequate for maintenance and repair (<18 inches)
() yes () no
- f. Support beams not intact
() yes () no
- g. Excessive dampness or ponding of water
() yes () no

VC-9 ROOFING

Check the appropriate response for evidence of all roofing problems. Provide a description of yes responses on Page 4:

- a. Does not cover entire house
() yes () no
- b. Evidence of deterioration of roofing materials
() yes () no
- c. Roof life less than two years*
() yes () no
- d. Holes
() yes () no
- e. Signs of leakage observable from ground (i.e., missing tiles)
() yes () no
- f. Flat Roof**
() yes () no

*FHFA requires that the roof have at least 2 years remaining life. If the roof has less than 2 years remaining life, then the appraiser must call for re-roofing or repair. The condition must clearly state whether the subject is to be repaired or re-roofed. FHA will accept a maximum of 3 layers of existing roofing. If more than 2 layers exist and repair is necessary, then all old roofing must be removed as part of the re-roofing.

**All flat roofs require inspection.

VC-10 MECHANICAL SYSTEMS

(All utilities must be turned on at time of appraisal, if possible)

Check the appropriate response for evidence of mechanical system problems. Provide a description of yes responses on Page 4:

Furnace/Boiling System

- a. Unit does not turn "On"
() yes () no
- b. Warm air is not emitted
() yes () no
- c. Unusual or irregular noises are heard
() yes () no
- d. Smoke or irregular smell is emitted
() yes () no
- e. Unit shuts down prior to reaching a desired temperature
() yes () no
- f. Significant holes or deterioration on the unit(s)
() yes () no

Air Conditioning (Central)

- g. Unit does not turn "On"
() yes () no
- h. Cold air is not emitted
() yes () no
- i. Irregular noises are heard
() yes () no
- j. Smoke or irregular smell is emitted
() yes () no

- k. Unit shuts down prior to reaching desired temperature
() yes () no
- l. Significant holes or deterioration on the unit(s)
() yes () no

Electrical System

- m. Electrical switches do not turn 'on' or 'off' (check representative sample)
() yes () no
- n. Outlets do not function (check representative sample)
() yes () no
- o. Presence of sparks or smoke from outlet(s)
() yes () no
- p. Exposed wiring visible in living areas
() yes () no
- q. Frayed wiring
() yes () no

Plumbing System

- r. Toilets
Toilets do not function
() yes () no
- s. Presence of leaks(s)
() yes () no
- t. Leaks
Structural damage under fixtures
() yes () no
- u. Puddles present
() yes () no

Sewer System

- v. Observations surface evidence of malfunction
() yes () no

Sinks

- w. Basin or pipes leak
() yes () no
- x. Water does not flush
() yes () no

Water

- y. Significant drop or fluctuation in pressure
() yes () no
- z. No hot water
() yes () no

VC-11 OTHER HEALTH AND SAFETY DEFICIENCIES
Check the appropriate response for evidence of health and safety deficiencies

Provide a description of yes responses on Page 4:

- a. Multiple broken windows
() yes () no
- b. Broken or missing exterior stairs
() yes () no
- c. Broken or missing exterior doors
() yes () no
- d. Inadequate/blocked entrances or exits
() yes () no
- e. Steps without handrails
() yes () no
- f. The mechanical garage door does not reverse or stop when meeting reasonable resistance during closing
() yes () no
- g. Please identify location of all health and/or safety deficiencies, and note others not included in this or any other VC on the comment page

VC-12 LEAD-BASED PAINT HAZARD

For any home built prior to 1978, check for evidence of defective paint surfaces, including peeling, scaling or chipping paint.

Provide a description of yes responses on Page 4:

- a. Evidence on interior
() yes () no
- b. Evidence on exterior
() yes () no
- Year built _____

If the home was built before 1978, this may indicate a lead paint hazard. For all FHA insured properties the seller is required to correct all defective paint in or on dwelling units built before January 1, 1976 in accordance with 24 CFR Part 25.

VC-13 CONDOMINIUMS AND PLANNED UNIT DEVELOPMENTS (PUD)

Provide a description of yes responses on Page 4:

- a. This project is not on FHA's approved list
() yes () no
- The property does not meet owner occupancy standards
() yes () no
- This property does not meet completion standards
() yes () no

ADDENDA

- A. Provide the current full/market assessed value:

\$ _____

- B. Provide a summary of estimated repair costs:

\$ _____

Please attach any additional information/reports and give number of attached pages.

Public reporting burden for the collection of information is estimated to average 30 minutes to complete the Comprehensive Valuation Package. This includes the time for reviewing the associated Handbook and reporting the data. This does not include the requisite market research or file appraisal process. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Privacy Act Notice: This information is required for the U.S. Department of Housing and Urban Development to endorse a single family mortgage and is used for underwriting purposes. The collection of this information is necessary to comply with HUD's Homeowner Protection Plan. The information may be made available to a federal agency for review. This information is not confidential and will be made available to the public.

[illegible]

Homebuyer Protection Plan - Frequently Asked Questions

FAQ Section: For Your Protection: Get a Home Inspection Form

1. When is the use of the form "For Your Protection: Get a Home Inspection" mandatory?

The form is mandatory for loans with case numbers ordered on or after August 1, 1999, excluding refinancing transactions and HECM's.

2. If "For Your Protection: Get a Home Inspection" is required to be signed before or on the date the borrower signs a contract, why are lenders required to provide this disclosure?

The lender is ultimately responsible to ensure compliance with this requirement on cases to be submitted for HUD mortgage insurance.

3. Both the Homebuyer Summary form and the For Your Protection: Get a Home Inspection form refer to homebuyers. Will either of these forms be required documentation for a HECM Reverse Mortgage Loan (See 255) since this loan type is a refinance of owner occupied property?

The Homebuyer Summary form is required for HECM loans, while the "For Your Protection:" form is not.

4. Which Disclosure is the new "For your Protection:" replacing?

Please refer to Mortgage Letter 99-18. It has replaced "Importance of Home Inspections" found in Mortgage Letter 96-67.

5. As the "For Your Protection: Get a Home Inspection" notice is to be signed at or before the contract date, what is the required date of notification when an offer to purchase was originally subject to conventional financing and then the requested financing type changes from Conventional to FHA?

Your responsibility is no different than it has been in the past. The new form is part of the FHA financing package and must be signed on or before the contract date. The sales contract must be re-executed if necessary (per Mortgage Letter 99-18).

6. Must the purchase contract be "re-executed" when the "For Your Protection:" disclosure is not executed prior to or at the signing of the contract, or can the buyers and seller sign an Amendment to the contract acknowledging that this was not provided to them prior to signing the contract but they have chosen to continue the transaction anyway?

Amendments are not acceptable, but a properly completed modified contract will be acceptable. This includes the same contract re-dated and initialed.

7. We, the lender, are not a part of the Purchase agreement, so how do we enforce the "For your Protection:" form being executed when it should be?

If the Realtor does not complete this, the lender must have the borrowers sign the form upon application and re-execute the sales contract. It becomes part of the KHA Case Binder.

8. Why is there a space on the "For Your Protection:" form for the seller's name and property address, when many buyers will be signing this form at a pre-approval application and the form clearly indicates with the last statement that the form is to be signed prior to signing a contract on a house?

Although the pre-approval process is an excellent idea for a buyer/borrower to know how much "house" they can afford, it is not part of the typical purchasing process. This new required process assists the buyer in making an informed decision.

9. Will you accept a facsimile signature on the "For Your Protection: Get a Home Inspection" form?

Yes, but obtain the original for your file, when possible.

10. Can the lender accept a certified copy of the "For Your Protection: Get a Home Inspection" form (in cases where Realtors have already made the disclosure)?

Yes, but it does not need to be a certified copy.

Homebuyer Protection Plan - Frequently Asked Questions

11. What is the order in which the new forms should be placed in the FHA case binder?

The order is as follows, top to bottom: For Your Protection, HRAIR, VC Form, Homebuyer Summary.

12. When HUD is the seller (HUD REO), will the "For Your Protection" disclosure be required?
Yes.

13. On REO sales, will HUD agree to re-execute purchase agreements when the "For Your Protection" form was not signed by the borrower prior to or on the date that the original purchase agreement was signed?
Yes.

FAQ Section: Homebuyer Summary

1. When is the use of the Homebuyer Summary form mandatory?

The Homebuyer Summary is mandatory for loans with case numbers ordered on or after September 10, 1999.

2. What is the purpose of delaying closing 5 days from the date that the borrower's signature is obtained on the Homebuyer Summary? There will be circumstances in which this 5 day requirement will create a hardship for the borrower (e.g., lock expiration, multiple closings scheduled that are contingent on the closing of the subject property, etc.)

The purpose of the notice is to provide timely information to the buyer for repairs to be completed. If the repairs have been completed, the buyer may waive the five-day requirement, in writing.

3. Does the 5 business days prior to closing restriction, on transactions with applicable repairs, apply to actual day of closing or date of disbursement for those states that are escrow closing states?
The date of closing will be considered to be the date on the HUD-1.

4. In calculating the 5-day requirement for the Homebuyer Summary, can Saturday can be considered a business day if your office is typically open on a Saturday? Will there be any written clarification of this?
If a Saturday is a normal business day for your local office, then it can be included in the five days. This will be addressed in writing via an errata to the Handbook or a Mortgage Letter.

5. If a loan is approved subject to an appraisal and the appraisal is not completed until a couple of days prior to closing, does the settlement need to be rescheduled because it is less than five days before closing?
Yes, unless the repairs are completed and the buyer agrees, in writing, to waive the five-day requirement. To ensure that late arriving appraisals do not delay settlement dates, HUD recommends ordering the appraisal earlier.

6. Define borrower's receipt of the Homebuyer Summary at least 5 business days prior to closing. If the lender mails the Homebuyer Summary 8 business prior closing, is the requirement met?
The borrower must RECEIVE and sign the form 5 days prior to closing. Saturday can be included in the 5-day calculation if it is considered a normal business day for the lender. Sunday may not be included in the calculation.

7. Do all borrowers need to sign the Homebuyer Summary? If the homebuyers sign on different dates, which date is to be used to meet the 5-business day requirement?
Yes, all borrowers are required to sign the form. The date of the last signature controls and is the date on which the 5-business day requirement is calculated.

Homebuyer Protection Plan - Frequently Asked Questions

8. If there are no repairs per the Homebuyer Summary sheet, can the loan close in less than the five days?
The homebuyer is required to sign the Homebuyer Summary at least 5 days before closing, regardless of the number of repairs. The borrower can choose to waive this requirement in writing.
9. Does the 5-day requirement relating to the Homebuyer Summary apply to refinances?
Yes, on refinances from conventional financing to FHA and on cash-out FHA to FHA refinances. The lender must ensure that the appraiser is fully informed on the type of appraisal that is being ordered. Appraisers may routinely wish to complete both the VC Form and the Homebuyer Summary.
10. Does the 5-day requirement for the Homebuyer Summary apply to streamline refinances with appraisals?
No. On streamline refinances with appraisals, all that is required is the VC form, not the Homebuyer Summary. Although FHA does not require repairs (except for lead based paint repairs) on streamline refinances with appraisals, the lender may require completion of repairs as a condition of the appraisal.
11. Instead of creating more paperwork with a new disclosure, wouldn't it be more practical for lenders to provide homebuyers with a copy of the LRAR and the VC sheet?
No. The Homebuyer Summary was created to summarize and simplify the conclusions of those forms for the buyer.
12. Is there any discussion with the National Association of Realtors to incorporate the new Homebuyer Summary form into the standard purchase agreement form?
No. It is important that this form be a separate document, so that the homebuyer is fully aware of the information.
13. Is the sponsoring lender responsible for sending the Homebuyer Summary to the borrower or is the correspondent who originated the loan responsible?
The sponsoring lender has the responsibility to assure that the case binder is complete and the homebuyer has received the form on the correct date.
14. We received two different Homebuyer Summary forms. The forms are identical, except that one requires the underwriter's name and signature and the other does not. Which is correct?
The correct form is the one without the underwriter's name that contains the five day notice section. The other form (with the underwriter's signature) was a draft released for comments on the Internet. Based upon the comments that were received, the form was modified. The correct version is now provided on the HUD Web site at HUDClips.org.
15. Is the Homebuyer Summary form required for existing properties (over one year old)?
Yes. The form is also required for existing properties less than one year old. The form is not required for proposed construction and properties under construction.
16. Should the Homebuyer Summary reflect only items needing repair, or should it also reflect certifications that may be required (termite inspections, well tests, septic certifications, etc.)?
The Homebuyer Summary should reflect ALL conditions noted on the VC sheet; if none, the appraiser should so state.
17. If there are no repairs or conditions, is the Homebuyer Summary sheet still required?
Yes.
18. Can a Direct Endorsement Underwriter modify the Homebuyer Summary if the appraiser leaves something out?
No. The DE underwriter should go back to the appraiser and have him/her correct the missing item.

Homebuyer Protection Plan - Frequently Asked Questions

FAQ Section: Appraisal Exam

1. Will there be a test required for appraisers to perform FHA appraisals?

Yes, the examination is a competency-based exam and began July 1, 1999.

2. How will lenders be able to recognize that appraisers are approved under the new program when ordering case numbers?

HUD has a list of existing appraisers found on the lender's FTA connection. New appraisers must go through an application process (complete Form HUD-92563, "Fee or Roster Designation - Application for Fee Personnel Designation") and pass a national FHA exam in order to be placed on the Roster. Existing FHA Roster appraisers must also, re-submit a completed Form HUD-92563 and pass the exam by 2/1/00 in order to stay on the FHA Roster.

3. To be a registered appraiser, where do appraisers go to complete the new testing, and will they then be issued CHUMS Identification Numbers as in the past?

There are multiple testing centers (Sylvan Testing) in each state. All of the information for testing is available on the REAC web site at www.hud.gov/reac/reacappr.html. Appraisers will not receive CHUMS Identification Numbers, and HUD will not issue letters to individual appraisers notifying them that they have been placed on the Lender Selection Roster or that CHUMS has updated their license information (Mortgage Letter 99-29).

4. How do underwriters know if an appraiser has passed the exam?

HUD will continue to maintain the FHA Roster and will approve only those appraisers who have passed the exam. Current Roster appraisers who have not successfully completed the exam by February 1, 2000 will be deleted from the roster. Lenders can ascertain an appraiser's Roster status through the FTA Connection.

FAQ Section: Valuation Conditions

1. When is the new VC sheet effective?

Use of the new VC sheet is mandatory for loans with case numbers ordered on or after September 10, 1999. Please read the Mortgage Letters 99-18 and 99-22.

2. Can a Homeownership Center or one of the HUD field offices waive the use of the new VC sheet and allow a lender to use the current version of the National VC sheet after September 10?

No. Use of all forms will be mandatory for case numbers ordered on or after September 10, 1999.

3. The underwriters are no longer able to waive conditions noted on the valuation condition sheet. What specific items can be addressed or altered by the underwriter, or can any?

Underwriters are permitted to waive cosmetic repairs; however, the VC should contain only those repairs required to satisfy HUD's Minimum Property Requirements. Repair items can be satisfied by inspection only. Complete information is provided in Mortgage Letter 99-18.

4. We're concerned that a completed VC form will be interpreted by some in the home purchase process as being equivalent to a Home Inspection. What measures are in place to ensure this will not happen? What role can the Lender play here?

The VC Form is for use by lenders and will not typically be issued to the borrower(s). Purchasers are provided with the Homebuyer Summary form which specifically provides them with a summary of the observations of an appraiser who visited the property, plus reminds them that an appraisal is different from a home inspection. The Lender's role is to ensure that the borrower(s) understand the Homebuyer Summary form and acknowledges receipt of the form. Also, Form HUD-92564-CN "For Your Protection: Get a Home Inspection" is presented to the borrower(s) and signed on or before the contract is executed.

Homebuyer Protection Plan - Frequently Asked Questions

5. Please explain how the expanded VC sheet is not a home inspection by the appraiser. Many of the areas have typically been inspected by the appropriate licensed agencies and require specific expertise. Will appraisers be held responsible for incorrect conclusions, as a home inspection is not an integral part of the valuation process?

FHA requires "as repaired" appraisals. The VC form simply outlines readily observable conditions of necessary repairs to preserve the continued marketability of the property, protect the health and safety of the occupants and protect the security of the property. This is not a change from past practices, so there has been no change in the liability of the appraiser.

6. Prior to this change, HUD had backed away from detailed minimum property standards in favor of a "safety and soundness" view toward financed properties. We are particularly concerned with the change in direction of HUD for a number of reasons, primarily "What is our liability as a lender under the new guidelines?" The VC sheet is somewhat vague, and places too much responsibility upon our DB Underwriters, or so it seems, to interpret what the appraiser is seeing and determine appropriate remedies. This would seem to be beyond the scope of what a DB Underwriter should be expected to know, and there is too much liability on the lender from the risk of not understanding how to address VC items. Liability is no different now than it was with the previous VC sheet. Lenders always have had the responsibility to determine compliance with Minimum Property Requirements/Standards. The VC form provides the underwriter with the information necessary to determine if any additional repair requirements are necessary.

7. Does the appraiser or underwriter determine what type of certification or work needs to be completed on items marked yes by an appraiser?

Potential repair and condition items are noted by the appraiser, but the lender must make the final determination as to how the potential repairs and conditions are satisfied.

8. The VC Form states that, upon completion of repairs, documentation must be provided showing that all deficiencies have been acceptably corrected. Does this mean that, along with the compliance inspection stating repairs have been done, we also need to get some type of evidence from the individual who completed the work (i.e. home inspector, licensed trades person, etc.)?

This is not in addition to the compliance inspection. The lender may choose the appraiser, a fee inspector, a trades person or any other individual to determine that repairs have been completed, as long as the person making the inspection is qualified to clear the item.

9. Can an appraiser do a compliance inspection?

Yes, if it is within the appraiser's scope.

10. May the lender ever do the repair inspection?

The lender may do the Compliance Inspection, as long as the person making the inspection is qualified to clear the item.

11. If the lender does the repair inspection, is the lender required to complete the Compliance Inspection Report (92051)? If so, does the DB Underwriter complete the form alone? If the 92051 is not required, is the lender inspection required to be signed by the DB Underwriter?

The Compliance Inspection Report must be completed by the individual that performed the inspection. In addition to the signature of the inspector, the DB Underwriter would sign the form in Section III when and where appropriate.

12. Please describe some repair items that would qualify for an escrow holdback.

Two examples: exterior paint (in cold weather) and landscaping (when weather does not permit).

13. Since the appraisal consists of the URAR, VC sheet and the Homebuyer Summary, do the borrowers receive a copy of the URAR and the VC sheets as well as the Homebuyer Summary?

The lender must give the borrowers a copy of the Homebuyer Summary. The other forms must be provided to the borrowers upon request.

Homebuyer Protection Plan - Frequently Asked Questions

14. Is the VC form required for existing properties (over one year old)?

Yes. The form is also required for existing properties less than one year old. The form is not required for proposed construction and properties under construction.

15. Is a VC sheet required on a 203(k) case?

A VC form is not required on a 203(k) case. However, if the appraiser identifies repair conditions that were not noted in the Plan review for the 203(k) loan, the appraiser should notify the lender.

16. Why is there a "na" response available in sections VC-2 through VC-13, but not in VC-1?

"Yes" to any VC-1 item may make the property ineligible for FHA financing as the condition cannot be remedied. "Yes" to VC-2 through VC-13 can usually be remedied.

17. Please define "Readily Observable".

Observations made by the appraiser of conditions that are immediately discernible and noticeable during the typical site visit. The appraiser is not required to move furniture, equipment, or cause damage to the property.

18. What is a representative sample?

For multiple identical components such as windows and electrical outlets, one such component per room. For multiple identical exterior components, one such component on each side of the building.

19. Is the full assessed value required by Section A of the Addenda on Page D-24 of the Handbook to be "as repaired"?

No. This is the state's or local jurisdiction's full assessed value before applying any ratio or factor to arrive at property taxes. For most areas of the country this is an "as is" value.

20. Please explain the requirement for a termite inspection.

If the structure is ground level, or if the structure is wood and touches the ground, a termite inspection is required. In those geographic areas which are not susceptible to termite infestation, a termite inspection is not required. However, an appraiser must note any infestation, any damage resulting from previous infestation, repairs due to infestation, or repairs necessary due to infestation.

21. Are termite inspections always required for condos?

For first floor units only. If the unit is on the second floor or above, then a termite inspection is not required.

22. Regarding VC-9, does the flat roof inspection include porches?

Yes, the requirement includes all roofs over all structures on the property. However, flat roofs on condominium projects are covered by the condo's HOA. Nevertheless, the appraiser should always make comments on a project's overall condition.

23. If the a roof cannot be observed because it is snow-covered, what can the lender to do satisfy the condition?

If it is unreasonable to expect the snow to clear within a reasonable amount of time, the appraiser may assess the condition of the roof by observing the roof from the interior. The borrower must be informed that the roof was snow covered at the time of the appraisal and it is acceptable to the purchaser. The lender may also require additional requirements to satisfy this condition.

24. VC-1 indicates that properties located within 300 feet of a stationary storage tank containing more than 100 gallons of flammable or explosive material property are ineligible. It is common to have oil, gas or propane tanks for residential heating purposes that are typically in excess of 100 gallons within 300 feet of property (especially with smaller lots). Is there a waiver procedure, or are these homes just ineligible? HUD has recently changed the storage tank size (increased to 1000 gallons).

Homebuyer Protection Plan - Frequently Asked Questions

25. Please address the eligibility of properties located within 300 feet of a gas station. This would not necessarily render the property unacceptable. The DE Underwriter is required to provide a written disclosure to the borrower that the property is located within 300 feet of a gas station.
26. Please clarify VC6 Private Road - "show evidence access is protected by a permanent recorded easement". Will the ALTA policy suffice?
The title search should reveal recorded easements. However, it is the DE Underwriter's responsibility to determine if the title policy shows sufficient evidence of a permanent recorded easement.
27. Is there a requirement for smoke detectors?
Although FHLA strongly recommends them, smoke detectors are not a nationwide HUD requirement at this time. The 203(K) rehabilitation program requires that smoke detectors be installed adjacent to sleeping areas.
28. Page 2-1-C of the Handbook states that, if a dwelling is less than 2 years old, the appraiser must indicate the year and month the home was completed. Please define the term "completed" and explain why this information is necessary.
The purpose of this provision is for the application of the Cost Approach. The Handbook requirement will be reduced from two years to "less than one (1) year old." "Complete" is defined as 100 percent complete and nothing needs to be done.
29. Many properties will be ineligible for FHA financing under the guideline for overhead high-voltage transmission lines because they are located within the fall distance of a radio or TV cable tower or satellite dish. Is there anything the lender can do to render these properties eligible for insurance?
The DE Underwriter may obtain a certification from the appropriate utility company or local regulatory agency that the property conforms to local standards and is safe.
30. Page 2-10 of the Handbook states that low voltage power lines may not pass over any structure on the property. Please define the term "structure."
"Structure" is limited to the primary living unit. Should the appraiser indicate that the lines pass the structures, the lender can mitigate the adverse condition. If this situation arises, the power lines can be removed or repositioned if there is a safety issue.
31. Are appraisers competent to assess whether offensive noises and odors threaten the health and safety of the occupants of a property?
Section 2-2K will be modified to reflect that the appraiser should review any nuisance and take it into consideration in the market analysis, making adjustments if appropriate. The appraiser should document the appraisal report, as necessary.
32. Regarding Section 3-1 of the Handbook, are black and white photographs acceptable?
Yes, black and white laser printed copies of photographs as well as photographs produced by digitized cameras which are of adequate size and clarity are acceptable.
33. If the appraiser is unable to take the required photographs to show the front, rear and sides of the property because of shrubbery, topography, etc., what should he do?
The appraiser should make every attempt to take the required photographs. If not possible, the appraiser should so state on the appraisal report.
34. Please explain Section 3-JB, Basement Bedrooms/Basement Apartments.
The information reflected in this section has been provided to assist the appraiser in determining whether or not the lower level of a dwelling should be considered as "above grade" or "below grade." If the lower level does not substantially meet the standards set forth in this paragraph, the lower level

Homebuyer Protection Plan - Frequently Asked Questions

is considered below grade and cannot be counted as habitable space. However, it may be considered as finished space of a lesser contributory value due to diminished utility.

35. Is it the appraiser's responsibility to determine the feasibility of connecting to public or community water and/or sewage systems?

If the property has private water and/or sewage systems, the appraiser will annotate the VC form (VC-4 as appropriate). It is the lender's responsibility to determine the feasibility/reasonableness of the connection cost. The appraiser should provide the lender with information about the location of public or community systems (e.g., the public water line is available directly in front of the subject property; or the public system is located approximately 100 feet from the property, but there are protected wetlands between the subject and the public system).

36. If the appraiser does not know the location of the private well or septic tank drainfield, how can the distance between them be documented?

If the appraiser is unable to make the determination, a condition requirement will be made on the VC form. The DE Underwriter can clear the condition by obtaining satisfactory evidence from a qualified party that the distance requirements (between the two systems, and between the systems and the property line) have been met.

37. Section 3-6A-5 indicates that cisterns are not acceptable. Are there any exceptions to this?

Yes, the HOCs have the authority to consider case-by-case waivers in areas where cisterns are typical. The lender contacts the HOC (that has jurisdiction over the property) for waiver procedures.

38. Section 3-6A-11 indicates that the crawl space must be 18" - is this the distance from the bottom of the joists or from the sub-floor? Please clarify "Enter"?

The Handbook will be clarified, as follows: "The minimum distance is 18 inches from the bottom of the joists." This distance is highly recommended but not mandated.

The appraiser will enter the crawl space (at a minimum entry of the head and shoulders) to observe conditions except when access is obstructed, or when entry could damage the property or when dangerous and adverse situations are suspected. In any event, the crawl space size and accessibility dictates the level of entry. However, the appraiser will visually examine the crawl space for inadequacies (see HUD HB 4150.2 Chapter 3-6 A, 11 and Protocol for VC-8).

ATTIC: The attic must be examined whether access is by pull-down stairway or scuttle. At a minimum head and shoulders entry. However, size and accessibility dictates the level of entry. The requirement to examine the crawl space and attic is not a new requirement nor has the requirement changed.

39. Are vapor barriers required in crawl spaces?

Typically no; however, if moisture problems are evident, a vapor barrier should be required.

40. Section 3-6A-14 of the Handbook requires that the heating system must be able to maintain 50 degrees in all areas containing plumbing systems and that the system must be installed in accordance with the manufacturer's recommendations. How will the appraiser know that this?

This requirement pertains only to dwellings that use wood-burning stoves or solar systems. If the appraiser is unable to make the necessary determinations, he/she should so state on the VC form by making a condition requirement. The lender may obtain a certification from a qualified firm that the system is properly installed to clear the condition requirement.

41. Regarding Section 3-6A-16, when is a handrail necessary?

Usually three or more risers. However, if a situation poses a safety issue for the occupants, a condition requirement should be made regardless of the number of risers.

Homebuyer Protection Plan - Frequently Asked Questions

42. Please clarify the requirements for lead-based paint repairs on condominium units.

The lead-based paint requirements relate only to the unit being appraised, not to the entire project. Section 3-6A-17 of the Handbook will be revised to reflect this correction. However, the appraiser should always comment on the overall condition of the condominium project.

43. Regarding Section 3-6B-6, Bedroom Egress, what is does the term "adequate" mean?

The paragraph will be revised as follows:

Occupants of a bedroom must be able to get outside the home if there is a fire. If an enclosed patio (solid walls) covers the bedroom window, it is possible that the bedroom won't qualify as a habitable bedroom.

44. In Section 4-5F, the construction ratings do not coincide with other agencies, such as FNMA and FHLMC, or Marshall and Swift. Will this be changed in the future?

The reference to "fair" construction quality will be removed from the handbook in order to bring HUD's construction ratings in line with those of FNMA, FHLMC and Marshall and Swift.

45. Why can't appraisers use comparables over 12 months old, especially in rural areas where it is difficult to obtain comparables that are more recent?

For FHA purposes, a sale over 12 months old is not acceptable as a comparable. The appraiser should go in a competing neighborhood; however, an older sale may be used as a fourth or fifth comparable sale to supplement the three comparables to demonstrate market trends or marketability. For the three comparables, however, the search must be sufficient to capture comparables from the past 12 months.

46. Can you explain how the appraiser is to handle financing concessions?

FHFD requires a cash-equivalency analysis for each sale, and the appraiser must adjust for all sales concessions. There should be a downward adjustment, but not necessarily a dollar-for-dollar adjustment. The appraiser should take into consideration the market and what is typical, and address those issues on the URAR. The appraiser must have positive verification of concessions before making any adjustments.

47. Section 8-1 on Manufacturing Homes requires that an inspection by a State Administrative agency be required when the appraiser observes changes to the original home. If the Manufactured Home has an addition, and there is no local agency to inspect such homes, are there alternatives to rejecting the property? The lender can obtain an engineer's report indicating that the structural changes or additions to the property were made in accordance with the HUD Manufactured Home Construction and Safety Standards, instead of rejecting the property.

48. On Page D-9, Room Grid, appraisers are instructed to enter the appropriate square footage for each designated room area. Is this correct?

No. The Handbook will be revised to reflect "enter the appropriate number for each designated room area."

49. On Page D 29, VC-7, as you referring to FAY sheathing?

Yes, this is a typographic error and will be corrected.

50. Regarding VC-11, if an older garage door opener does not have the automatic reverse feature and/or does not stop when met with resistance, must the appraiser require that a new opener be installed?

Yes. For safety reasons, all garage door openers must have one of these features in working condition, or the opener must be replaced.

51. VC-11 references multiple broken windows. What if there is only one window broken?

All broken windows should be repaired or replaced, as necessary.

Homebuyer Protection Plan - Frequently Asked Questions

52. Page D-33, VC-13 indicates that the property does not meet completion standards if the completion rate is less than 2/3. What does this mean?

This item will be removed from the Handbook and VC form.

53. In the Glossary of Terms, does the term "Dangerous or Adverse Situations" refer to the property being appraised or the performance of the appraiser?

This definition is intended to refer to the property only. It is not intended to refer to the appraiser. The definition will be revised in the Handbook as follows:

Situations that pose a threat of injury to the homeowner or occupant(s) and/or require the use of special protective clothing or safety equipment on the part of the homeowner or occupant(s).

54. Who performs the final inspection on properties "under construction" or "existing less than one year old"?

If the property is under construction and not 100% complete, the appraiser will perform the appraisal, complete the URAR and all necessary exhibits, and require a final inspection. The final may be completed by a fee paid inspector or the HUD approved local jurisdiction or equivalent and Form HUD-92051, Compliance Inspection Report is required. If the property is 100% complete, the appraiser performs the appraisal and completes the URAR and all necessary exhibits. In this instance, the appraisal serves as the final inspection and Form HUD-92051, Compliance Inspection Report, is not required. For detail guidance see HUD HR 4145.1 REV-2 Change 1, Paragraph 6-3, pages 6-16 and 6-17. However, in all cases, if the appraiser does not have the plans, specifications and construction documents as well as a completed builder's certification at the time the appraisal is to be performed, the appraiser may not complete the appraisal until this documentation is made available.

FAQ Section: Lender Issues

1. Section 1-2 Section C, Communication with appraisers: The Handbook says that HUD advises the appraiser to only talk to the DE Underwriter about an appraisal before it is completed. Also, no other person should talk to the appraiser. This seems to be a bit impractical. A lot of times the appraiser has small problems that wouldn't even have anything to do with the DE Underwriter. Does this mean that after a sponsored mortgage broker i.e. lender, orders an appraisal, we are not supposed to talk to the appraiser until it is received? A lot of times, an appraiser will call just to let us know a property isn't going to work, can't find comparable, etc. Are we not to have that kind of relationship with the appraisers anymore? No one but the underwriter is to discuss the VALUE with the appraiser until the appraisal is completed. The appraiser can discuss the physical characteristics or schedule an appointment with the seller or their representative. Consistent with FURRA, the appraiser may not discuss the value with anyone else but the client. The client is the lender.

2. Will there be revisions to Handbook 4150-2 coming out with changes already made?
FHA will update the handbook as necessary.

3. Will appraisers be able to charge a higher fee for the increased reporting requirements?
It is the Department's position that appraisal fees should not increase as a result of the recent changes. The appraisal process for HUD has remained largely unchanged. The new forms only require confirmation of pre-existing requirements already contained in MTR.

4. Our appraisers are stating at least 1-2 hours more work and the requirement that they inspect under the house and crawl in the attic for visual inspections is going to substantially increase the cost to the consumer of FHA appraisals. How do I address?
The reporting requirements have not changed. The appraiser has always been required to enter both the attic and crawl spaces to observe conditions.

Homebuyer Protection Plan - Frequently Asked Questions

5. Is the one year warranty going to replace the 10-year Warranty?
No.

6. Why, at a time when the mortgage industry is moving in the opposite direction, relying more on credit scores and less on property valuation, did HUD choose to head in the direction of tighter controls?
HUD has always had Minimum Property Requirements and requires a complete and thorough appraisal.

7. Who will be training the appraisers?
HUD believes the industry groups, professional societies and trade organizations are better prepared to roll-out nationwide training.

8. How will, who will and when will appraisers be removed from the FHA Connection approved appraiser list?
Upon expiration of their appraisal license or certification, failure to pass the FHA appraisal exam by 2/1/00, or through disciplinary action.

9. What are the eight new questions required for CHTMS/case number assignment?
The eight new questions deal with data fields from a completed appraisal. Training materials are scheduled to be posted on the web on October 1, 1999.

10. When will the new CHTMS input be required from all lenders?
On or about November 1, 1999.

Inspection Checklist

Housing Choice Voucher Program

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2537-0186
(Exp. 04/30/2014)

Public reporting burden for this collection of information is estimated to average 0.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to determine if a unit meets the housing quality standards of the section 8 rental assistance program.

Privacy Act Statement. The Department of Housing and Urban Development (HUD) is authorized to collect the information required on this form by Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). Collection of the name and address of both family and the owner is mandatory. The information is used to determine if a unit meets the housing quality standards of the Section 8 rental assistance program. HUD may disclose this information to Federal, State and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide any of the information may result in delay or rejection of family participation.

Name of Family		Tenant ID Number	Date of Request (mm/dd/yyyy)		
Inspector		Neighborhood/Consensus Tract	Date of Inspection (mm/dd/yyyy)		
Type of Inspection: Initial <input type="checkbox"/> Special <input type="checkbox"/> Reinspection <input type="checkbox"/>		Date of Last Inspection (mm/dd/yyyy)	PHA		
A. General Information					
Inspected Unit		Year Constructed (yyyy)	Housing Type (check as appropriate) <input type="checkbox"/> Single Family Detached <input type="checkbox"/> Duplex or Two Family <input type="checkbox"/> Row House or Town House <input type="checkbox"/> Low Rise: 3, 4 Stories, Including Garden Apartment <input type="checkbox"/> High Rise: 5 or More Stories <input type="checkbox"/> Manufactured Home <input type="checkbox"/> Congregate <input type="checkbox"/> Cooperative <input type="checkbox"/> Independent Group Residence <input type="checkbox"/> Single Room Occupancy <input type="checkbox"/> Shared Housing <input type="checkbox"/> Other		
Full Address (including Street, City, County, State, Zip)					
Number of Children in Family Under 6					
Owner					
Name of Owner or Agent Authorized to Lease Unit Inspected		Phone Number			
Address of Owner or Agent					
B. Summary Decision On Unit (To be completed after form has been filled out)					
<input type="checkbox"/> Pass <input type="checkbox"/> Fail <input type="checkbox"/> Inconclusive	Number of Bedrooms for Purpose of the FMR or Payment Standard	Number of Sleeping Rooms			
Inspection Checklist					
Item No.	Yes	No	In- Fail Conc.	Comment	Final Approval Date (mm/dd/yyyy)
1. Living Room					
1.1 Living Room Present					
1.2 Electricity					
1.3 Electrical Hazards					
1.4 Security					
1.5 Window Condition					
1.6 Ceiling Condition					
1.7 Wall Condition					
1.8 Floor Condition					

Previous editions are obsolete

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form HUD-52580 (3/2001)
ref Handbook 7420.8

* Room Codes: 1 = Bedroom or Any Other Room Used for Sleeping (regardless of type of room); 2 = Dining Room or Dining Area;
 3 = Second Living Room, Family Room, Den, Playroom, TV Room; 4 = Entrance Halls, Corridors, Halls, Staircases; 5 = Additional Bathroom; 6 = Other

Item No.	1. Living Room (Continued)	Yes	No	In-Cont.	Comments	Final Approval Date (mm/dd/yyyy)
1.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
2. Kitchen						
2.1	Kitchen Area Present					
2.2	Electricity					
2.3	Electrical Hazards					
2.4	Security					
2.5	Window Condition					
2.6	Ceiling Condition					
2.7	Wall Condition					
2.8	Floor Condition					
2.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
2.10	Stove or Range with Oven					
2.11	Refrigerator					
2.12	Sink					
2.13	Space for Storage, Preparation, and Serving of Food					
3. Bathroom						
3.1	Bathroom Present					
3.2	Electricity					
3.3	Electrical Hazards					
3.4	Security					
3.5	Window Condition					
3.6	Ceiling Condition					
3.7	Wall Condition					
3.8	Floor Condition					
3.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
3.10	Flush Toilet in Enclosed Room in Unit					
3.11	Fixed Wash Basin or Lavatory in Unit					
3.12	Tub or Shower in Unit					
3.13	Ventilation					

Previous editions are obsolete

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form HUD-52590 (3/2001)
 ref HUD book 7420.8

Item No. 4. Other Rooms Used For Living and Halls		Yes Pass	No Fail	In- Cons.	Comment	Final Approval Date (mm/dd/yyyy)
4.1 Room Code* and Room Location	<input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	____ Floor Level	
4.2 Electricity/Illumination						
4.3 Electrical Hazards						
4.4 Security						
4.5 Window Condition						
4.6 Ceiling Condition						
4.7 Wall Condition						
4.8 Floor Condition						
4.9 Lead-Based Paint				<input type="checkbox"/> Not Applicable		
Are all painted surfaces free of deteriorated paint?						
If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?						
4.10 Smoke Detectors						
4.1 Room Code* and Room Location	<input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	____ Floor Level	
4.2 Electricity/Illumination						
4.3 Electrical Hazards						
4.4 Security						
4.5 Window Condition						
4.6 Ceiling Condition						
4.7 Wall Condition						
4.8 Floor Condition						
4.9 Lead-Based Paint				<input type="checkbox"/> Not Applicable		
Are all painted surfaces free of deteriorated paint?						
If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?						
4.10 Smoke Detectors						
4.1 Room Code* and Room Location	<input type="checkbox"/>	(Circle One) Right/Center/Left		(Circle One) Front/Center/Rear	____ Floor Level	
4.2 Electricity/Illumination						
4.3 Electrical Hazards						
4.4 Security						
4.5 Window Condition						
4.6 Ceiling Condition						
4.7 Wall Condition						
4.8 Floor Condition						
4.9 Lead-Based Paint				<input type="checkbox"/> Not Applicable		
Are all painted surfaces free of deteriorated paint?						
If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?						

Previous editions are obsolete

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form HUD-52580 (3/2001)
ref Handbook 7420.8

Item No.	4. Other Rooms Used For Living and Halls	Yes Pass	No Fail	In- Conc.	Comment	Final Approval Date (mm/dd/yyyy)
4.1	Room Code * and Room Location				(Circle One) Right/Center/Left (Circle One) Front/Center/Rear Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
4.10	Smoke Detectors					
4.1	Room Code * and Room Location				(Circle One) Right/Center/Left (Circle One) Front/Center/Rear Floor Level	
4.2	Electricity/Illumination					
4.3	Electrical Hazards					
4.4	Security					
4.5	Window Condition					
4.6	Ceiling Condition					
4.7	Wall Condition					
4.8	Floor Condition					
4.9	Lead-Based Paint Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed two square feet per room and/or is more than 10% of a component?				Not Applicable	
4.10	Smoke Detectors					
5. All Secondary Rooms (Rooms not used for living)						
5.1	None Go to Part B					
5.2	Security					
5.3	Electrical Hazards					
5.4	Other Potentially Hazardous Features in these Rooms					

Item No.	6. Building Exterior	Yes Pass	No Fail	In - Conc.	Comment	Final Approval Date (mm/dd/yyyy)
6.1	Condition of Foundation					
6.2	Condition of Stairs, Rails, and Porches					
6.3	Condition of Roof/Gutters					
6.4	Condition of Exterior Surfaces					
6.5	Condition of Chimney					
6.6	Lead Paint: Exterior Surfaces Are all painted surfaces free of deteriorated paint? If not, do deteriorated surfaces exceed 20 square feet of total exterior surface area?				Not Applicable	
6.7	Manufactured Home: Tie Downs					
7. Heating and Plumbing						
7.1	Adequacy of Heating Equipment					
7.2	Safety of Heating Equipment					
7.3	Ventilation/Cooling					
7.4	Water Heater					
7.5	Approvable Water Supply					
7.6	Plumbing					
7.7	Sewer Connection					
8. General Health and Safety						
8.1	Access to Unit					
8.2	Fire Exits					
8.3	Evidence of Infestation					
8.4	Garbage and Debris					
8.5	Refuse Disposal					
8.6	Interior Stairs and Common Halls					
8.7	Other Interior Hazards					
8.8	Elevators					
8.9	Interior Air Quality					
8.10	Site and Neighborhood Conditions					
8.11	Lead-Based Paint: Owner's Certification				Not Applicable	

If the owner is required to correct any lead-based paint hazards at the property, including deteriorated paint or other hazards identified by a visual assessor, a certified lead-based paint risk assessor, or certified lead-based paint inspector, the PHA must obtain certification that the work has been done in accordance with all applicable requirements of 24 CFR Part 35. The Lead-Based Paint Owner Certification must be received by the PHA before the execution of the HAP contract or within the time period stated by the PHA in the owner HQS violation notice. Receipt of the completed and signed Lead-Based Paint Owner Certification signifies that all HQS lead-based paint requirements have been met and no re-inspection by the HQS inspector is required.

C. Special Amenities (Optional)

This Section is for optional use of the HA. It is designed to collect additional information about other positive features of the unit that may be present. Although the features listed below are not included in the Housing Quality Standards, the tenant and HA may wish to take them into consideration in decisions about renting the unit and the reasonableness of the rent. Check/initial any positive features found in relation to the unit.

D. Questions to ask the tenant (Optional)

1. Living Room

- ☐ High quality floors or wall coverings
- ☐ Working fireplace or stove Balcony, patio, deck, porch Special windows or doors
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

2. Kitchen

- ☐ Dishwasher
- ☐ Separate freezer
- ☐ Garbage disposal
- ☐ Eating counter/breakfast nook
- ☐ Plenty or abundant shelving or cabinets
- ☐ Double oven/self cleaning oven, microwave
- ☐ Double sink
- ☐ High quality cabinets
- ☐ Ample counter-top space
- ☐ Modern appliance(s)
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

3. Other Rooms Used for Living

- ☐ High quality floors or wall coverings
- ☐ Working fireplace or stove Balcony, patio, deck, porch Special windows or doors
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

4. Bath

- ☐ Special feature shower head
- ☐ Built-in heat lamp
- ☐ Large mirrors
- ☐ Glass door on shower/tub
- ☐ Separate dressing room
- ☐ Double sink or special lavatory
- ☐ Exceptional size relative to needs of family
- ☐ Other: (Specify)

5. Overall Characteristics

- ☐ Storm windows and doors
- ☐ Other forms of weatherization (e.g., insulation, weather stripping) Screen doors on windows
- ☐ Good upkeep of grounds (i.e., site cleanliness, landscaping, condition of lawn)
- ☐ Garage or parking facilities
- ☐ Driveway
- ☐ Large yard
- ☐ Good maintenance of building exterior
- ☐ Other: (Specify)

6. Disabled Accessibility

- Is it accessible to a particular disability. ☐ Yes ☐ No
- Disability

1. Does the owner make repairs when asked? Yes ☐ No ☐
2. How many people live there?
3. How much money do you pay to the owner/agent for rent? \$
4. Do you pay for anything else? (specify)
5. Who owns the range and refrigerator? (insert: O = Owner or T = Tenant) Range Refrigerator Microwave ☐
6. Is there anything else you want to tell us? (specify) Yes ☐ No ☐

Provide a summary description of each item which resulted in a rating of "Fail" or "Pass with Comments."

Provide a summary description of each item which resulted in a rating of "Fail" or "Pass with Comments."

Vendor ID Number	Inspected by	Date of Inspection (mm/dd/yyyy)	Address of Inspected Unit
Type of Inspection	Initial	Special	Reinspection
Item Number	Reason for "Fail" or "Pass with Comments" Rating		

[illegible]

Continued on additional page Yes ☐ No ☐

Previous editions are obsolete

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form HUD-52580 (3/2001)
re: Handbook 7420.6

Home Operating Costs

Table 1. Year Built						
	Before 1970	1970- 1979	1980- 1989	1990- 1999	After 1999	All
Cost per House						
Fuels	1,648	1,619	1,613	1,574	1,549	1,625
Other utilities	444	505	615	673	709	521
Maintenance	573	594	664	453	235	558
Insurance	602	657	729	734	736	654
Taxes	1,878	1,908	2,394	2,719	2,703	2,105
Total	5,144	5,283	6,016	6,153	5,931	5,464
Cost per Square Foot						
Fuels	1.03	0.88	0.81	0.72	0.66	0.92
Other utilities	0.28	0.28	0.32	0.30	0.31	0.29
Maintenance	0.36	0.31	0.32	0.20	0.09	0.31
Insurance	0.37	0.34	0.35	0.33	0.30	0.35
Taxes	1.09	0.94	1.10	1.15	1.02	1.06
Total	3.13	2.75	2.90	2.70	2.38	2.94
Cost as a Percent of Value						
Fuels	1.45%	1.17%	0.96%	0.79%	0.72%	1.20%
Other utilities	0.40%	0.36%	0.36%	0.31%	0.32%	0.37%
Maintenance	0.47%	0.41%	0.38%	0.21%	0.10%	0.39%
Insurance	0.45%	0.43%	0.40%	0.34%	0.31%	0.42%
Taxes	1.19%	1.08%	1.17%	1.14%	1.08%	1.15%
Total	3.95%	3.44%	3.27%	2.80%	2.53%	3.53%

Source: NAHB calculations based on data from the 2003 American Housing Survey (AHS), U.S. Census Bureau. All numbers are averages. Because the AHS truncates values reported by the respondents with the highest expenditures, the average costs per home will be understated. Cases with truncated costs or unit size were excluded in calculations of costs per square foot. Cases with truncated costs or value were excluded from the calculation of costs as a percent of value. Also deleted are cases where the AHS imputed values to unanswered questions for any of the variables used in the calculations



How to 'Energize' Your Home

- Seal gaps, cracks, other leaks (especially in the attic)
- Add insulation in the attic
- Repair or replace old heating and cooling systems and appliances
- Replace standard incandescent bulbs with compact fluorescent (CFL) light bulbs

Energy Efficiency Trivia

- Average household spends \$1,900 annually on energy bills
- Lighting accounts for 20% of an average electric bill
- CFL light bulbs uses 75% less energy and lasts 10 times longer than incandescent bulbs
- Heating and cooling of home accounts for ½ of energy usage
- In summer, Hunter fans reduce air conditioning bills up to 40%
- Newer model washing machines use 40% less energy and 55% less water which translates into an average of \$50 savings per year
- Home electronics – households spend on the average \$100/year to power devices on standby mode (including cell phone chargers)



(5)

Things to Bring to Your Lender

Please bring copies of the items on this checklist for all household members over the age of 18 to your Lender:

- ☐ Valid State Driver's License or Identification Card(s)
- ☐ Social Security Card(s)
- ☐ Permanent or Temporary Resident Alien Card(s) (as applicable)
- ☐ Three (3) months of paychecks stubs
- ☐ Three (3) months of all bank statements, three (3) month Verification of Deposit (VOD) and/or cashier's checks to verify that you have at least \$1000 in reserves. The borrower cannot have more than \$50,000 in liquid assets (excluding retirement accounts).
- ☐ Two (2) years of complete income tax returns including all schedules, W-2's or 1099's
- ☐ Any award letters to verify other sources of income such as child support, social security, social security supplemental income (SSI), pensions, annuities, etc.
- ☐ Birth certificates or legal documentation of adoption or guardianship for all household members seventeen (17) years of age and under
- ☐ If applicable, additional documents/statements from the applicant(s) related to marital status, i.e., divorce decrees, legal separation documents, and/or death certificate
- ☐ 8-hour Homebuyer Education Certificate

A. Settlement Statement

U.S. Department of Housing
and Urban Development

OMB Approval No. 2506-0285

B. Type of Loan		C. File Number	D. Loan Number	E. Mortgage Insurance Policy Number
1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> Fannie Mae	3. <input type="checkbox"/> Conventional	4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Other
C. Note: This form is designed to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "to/borrower" were paid out of the closing; they are shown here for informational purposes and are not included in the totals.				
G. Name & Address of Borrower		H. Name & Address of Seller		I. Name & Address of Lender
J. Property Location		K. Settlement Agency		L. Settlement Date
M. Summary of Borrower's Transaction		N. Summary of Seller's Transaction		
100. Gross Amount Due From Borrower		400. Gross Amount Due To Seller		
101. Contract sales price		401. Contract sales price		
102. Personal property		402. Personal property		
103. Settlement charges to borrower (line 1400)		403. Settlement charges to seller (line 1400)		
104.		404.		
105.		405.		
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance		
106. City/town taxes to		406. City/town taxes to		
107. County taxes to		407. County taxes to		
108. Assessments to		408. Assessments to		
109.		409.		
110.		410.		
111.		411.		
112.		412.		
120. Gross Amount Due From Borrower		420. Gross Amount Due To Seller		
200. Amounts Paid By Or In Behalf Of Borrower		500. Amounts Paid By Or In Behalf Of Seller		
201. Unpaid at settlement (cash)		501. Unpaid at settlement (cash)		
202. Principal amount of new loan(s)		502. Principal amount of new loan(s)		
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to		
204.		504.		
205.		505.		
206.		506.		
207.		507.		
208.		508.		
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller		
210. City/town taxes to		510. City/town taxes to		
211. County taxes to		511. County taxes to		
212. Assessments to		512. Assessments to		
213.		513.		
214.		514.		
215.		515.		
216.		516.		
217.		517.		
218.		518.		
219.		519.		
220. Total Paid By/For Borrower		520. Total Received Amount Due Seller		
300. Cash At Settlement From/To Borrower		600. Cash At Settlement From/To Seller		
301. Gross amount due to borrower (line 120)		601. Gross amount due to seller (line 420)		
302. Less amounts paid by/borrower (line 200)		602. Less amounts paid by/borrower (line 200)		
303. Cash <input type="checkbox"/> From <input type="checkbox"/> To Borrower		603. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller		

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the duties and costs of real estate settlement services. Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate. Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.

Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper.

The Public Reporting System for the collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information requested does not have to be confidentially.

Previous editions are obsolete

Page 1 of 2

Form HUD-1 (8/08)
rel Handbook 400.2

I. Settlement Charges				Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission based on price \$					
Division of Commission (fill in today) as follows:					
701. \$	to				
702. \$	to				
703. Depreciation paid at Settlement					
704.					
800. Items Payable in Connection With Loan					
801. Loan Origination Fee	%				
802. Loan Discount	%				
803. Appraisal Fee	to				
804. Credit Report	to				
805. Lender's Inspection Fee					
806. Mortgage Insurance Application Fee to					
807. Assumption Fee					
808.					
809.					
810.					
811.					
900. Items Required By Lender To Be Paid In Advance					
901. Interest from	to	\$	day		
902. Mortgage Insurance Premium for	months to				
903. Hazard Insurance Premium for	years to				
904.	years to				
905.					
1000. Reserve Deposits With Lender					
1001. Hazard Insurance	months \$	per month			
1002. Mortgage Insurance	months \$	per month			
1003. City property taxes	months \$	per month			
1004. County property taxes	months \$	per month			
1005. Annual assessments	months \$	per month			
1006.	months \$	per month			
1007.	months \$	per month			
1008.	months \$	per month			
1100. Title Charges					
1101. Broker's fee or dealing fee	to				
1102. Abstract or title search	to				
1103. Title examination	to				
1104. Title Insurance Under	to				
1105. Document preparation	to				
1106. Notary fees	to				
1107. Attorney's fees					
Includes above line numbers					
1108. Title Insurance	to				
Includes above line numbers					
1109. Lender's coverage	\$				
1110. Owner's coverage	\$				
1111.					
1112.					
1200. Settlement (Recording and Transfer Fees)					
1201. Recording Fee: Deed \$					
1202. Recording Fee: Mortgage \$					
1203. Recording Fee: Deed \$					
1204. Recording Fee: Mortgage \$					
1205.					
1300. Additional Settlement Charges					
1301. Survey	to				
1302. Fee: Inspection					
1303.					
1304.					
1305.					
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)					

HOME BUYER'S EDUCATIONAL CLASS CERTIFICATE OF COMPLETION



**Homebuyer's
Education
for people
with a
disability**



Certificate of Completion

Is awarded to

For successful completion of the
**Houston Home Of Your Own
Homebuyer's Education**
An 8 hour, HUD-Approved course.

Katy Thorstenberg *May 9, 2015*
Katy Thorstenberg, Coordinator Date: May 9, 2015
Valid for one year after date issued.

APPENDIX H:

WRITTEN STANDARDS FOR PROVISION OF ESG ASSISTANCE

WRITTEN STANDARDS FOR PROVISION OF ESG ASSISTANCE

1. Standard policies and procedures for evaluating individuals' and families' eligibility for Assistance under ESG.

Per 24 CFR 576.401, ESG sub-recipients must conduct an initial evaluation to determine each individual or family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing. These evaluations must be conducted in accordance with the centralized or coordinated assessment requirements set forth under §576.400(c) which is pending development by the Continuum of Care (CoC).

ESG sub-recipients must re-evaluate the program participant's eligibility and the types and amounts of assistance the participant needs; at least once every 3 months for participants who are receiving homelessness prevention assistance, and not less than once annually for participants who are receiving rapid re-housing assistance.

At the sub-recipient's discretion, re-evaluations may be conducted more frequently than required by 24 CFR 576.401 and may also be incorporated into the case management process which must occur at least monthly for homelessness prevention and rapid re-housing participants – See 24 CFR 576.431(a)(ii). Regardless of which timeframe is used, re-evaluations must at minimum, establish that:

- The program participant does not have an annual income that exceeds 80 percent of median family income for the area, as determined by HUD; and the program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance. To determine if an individual or family is income eligible, the sub-recipient must examine an individual or family's annual income to ensure that it does not exceed the most current area income limits posted on the HUD CPD website.
- When the program participant's income or other circumstances change (e.g., changes in household composition) that affects the program participant's need for assistance under ESG, the sub-recipient must re-evaluate the program participant's eligibility and the amount and types of assistance the program participant needs.

Sub-recipients must assist each program participant, as needed, to obtain appropriate supportive services, including assistance in obtaining permanent housing, medical health treatment, mental health treatment, counseling, supervision, and other services essential for achieving independent living; housing stability case management; and other Federal, State, local, or private assistance available to assist the program participant in obtaining housing stability including:

- Medicaid
- Supplemental Nutrition Assistance Program
- Women, Infants and Children (WIC)
- Federal/State Unemployment Insurance Program
- Social Security Disability Insurance (SSDI)
- Supplemental Security Income (SSI)
- Child and Adult Care Food Program, and
- Other mainstream resources such as housing, health, social services, employment, education services and youth programs that an individual or family may be eligible to receive

2. Standards for targeting and providing essential services related to street outreach

ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are *unwilling or unable* to access emergency shelter, housing, or an appropriate health facility. For the purposes of this section, the term "unsheltered homeless people" means individuals and families who qualify as homeless under paragraph (1) (i) of the "homeless" definition under 24 CFR Part 576.1.

As outlined in 24 CFR Part 576.101, essential services consist of:

- a) Engagement;
- b) Case management;
- c) Emergency medical services – only when other appropriate medical services are inaccessible or unavailable within the area;
- d) Emergency mental health services – only when other appropriate mental health services are inaccessible or unavailable within the area;
- e) Transportation; and
- f) Services for special populations.

ESG Sub-recipients must determine an individual's or family's vulnerability and unwillingness or inability to access emergency shelter, housing, or an appropriate health facility, prior to providing essential services under this component to ensure that ESG funds are used to assist those with the greatest need for street outreach assistance.

5. Policies and procedures for admission, diversion, referral, and discharge by emergency

a. Emergency Shelter Definition

The term Emergency Shelter was revised by 24 CFR Part 576.2 to mean "any facility, the primary purpose of which is to provide a temporary shelter for the homeless in general or for specific populations of the homeless and which does not require occupants to sign leases or occupancy agreements. This definition excludes transitional housing. However, projects that were funded as an emergency shelter (shelter operations) under the FY 2010 Emergency Shelter Grants program may continue to be funded under the emergency shelter component under the Emergency Solutions Grants program, regardless of whether the project meets the revised definition.

b. Admission, Diversion, Referral and Discharge

Consistent with Section (a) of this document, ESG sub-recipients must conduct an initial evaluation of all individuals or families to determine if they should be admitted to an emergency shelter, diverted to a provider of other ESG funded components (e.g. rapid re-housing or homeless prevention assistance) and/or referred for other mainstream resources.

ESG sub-recipients must determine that individuals and families meet criteria (1), (2), (3), or (4) of the Homeless Definition and rate the individual or family's vulnerability to ensure that only those individuals or families that have the greatest need for emergency shelter assistance receive ESG funded assistance.

ESG sub-recipients must also reassess emergency shelter participants on an ongoing basis, to determine the earliest possible time that they can be discharged to permanent housing.

c. Safety and Shelter Needs of Special Populations

ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing those services are eligible under the regulations for the emergency shelter component found at 24 CFR Part 576.101.

Consistent with ESG recordkeeping and reporting requirements found at 24 CFR Part 576.500, ESG sub-recipients must develop and apply written policies to ensure the safety of program participants through the following actions:

- All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HIVIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential.

- The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter, and
- The address or location of any housing of a program participant, including youth, individuals living with HIV/AIDS, victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing will not be made public, except as provided under a preexisting privacy policy of the sub-recipient and consistent with state and local laws regarding privacy and obligations of confidentiality

In addition, ESG sub-recipients must adhere to the following ESG shelter and housing standards found at [24 CFR Part 576.403](#) to ensure that shelter and housing facilities are safe, sanitary, and adequately maintained:

- **Lead-Based Paint Requirements.** The Lead-Based Paint Poisoning Prevention Act applies to all shelters assisted under ESG program and all housing occupied by program participants. All ESG sub-recipients are required to conduct a Lead-Based Paint inspection on all units receiving assistance under the rapid re-housing AND homelessness prevention components if the unit was built before 1978 and a child under age of six or a pregnant woman resides in the unit.
- **Structure and Materials.** The shelter building should be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents.
- **Access.** The shelter must be accessible, and there should be a second means of exiting the facility in the case of emergency or fire.
- **Space and Security.** Each resident should have adequate space and security for themselves and their belongings. Each resident must have an acceptable place to sleep.
- **Interior Air Quality.** Each room or space within the shelter/facility must have a natural or mechanical means of ventilation. The interior air should be free of pollutants at a level that might threaten or harm the health of residents.
- **Water Supply.** The shelter's water supply should be free of contamination.
- **Sanitary Facilities.** Each resident should have access to sanitary facilities that are in proper operating condition. These facilities should be able to be used in privacy, and be adequate for personal cleanliness and the disposal of human waste.
- **Thermal Environment.** The shelter facility must have any necessary heating/cooling facilities in proper operating condition.

- **Illumination and Electricity.** The shelter/facility should have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There should be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
 - **Food Preparation.** Food preparation areas, if any, should contain suitable space and equipment to store, prepare and serve food in a safe and sanitary manner.
 - **Sanitary Conditions.** The shelter should be maintained in a sanitary condition.
 - **Fire Safety-Sleeping Areas.** There should be at least one working smoke detector in each occupied unit of the shelter facility. In addition, smoke detectors should be located near sleeping areas where possible. The fire alarm system should be designed for a hearing-impaired resident.
 - **Fire Safety-Common Areas.** All public areas of the shelter must have at least one working smoke detector.
4. Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.

ESG funds may be used to provide essential services (up to 60% of the total grant) to individuals and families who are in an emergency shelter. Essential services for participants of emergency shelter assistance can include case management, child care, education services, employment assistance and job training, outpatient health services, legal services, life skills training, mental health services, substance abuse treatment services, transportation, and services for special populations.

ESG sub-recipients are responsible to assess an individual or family's initial need for emergency shelter and must re-assess their need on an ongoing basis to ensure that only those individual or families with the greatest need receive ESG funded emergency shelter assistance.

Upon completion and implementation of the CoC's centralized or coordinated assessment system, ESG recipients shall be required to use that system to help determine an individual or family's need for emergency shelter or other ESG funded assistance.

5. Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.

Coordination to assist the homeless and prevent homelessness will come from the leadership of the Continuum of Care. Active engagement and membership in the local homeless coalition is strongly encouraged. The CoC will further engage and coordinate resources amongst other entities or improve current programs and funding.

6. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

The key to the success of any program is a screening and assessment process, which thoroughly explores a family's or individual's situation and pinpoints their unique housing and service needs. Based upon the assessment, families and individuals should be referred to the kinds of housing and services most appropriate to their situations and need.

Once in place, a centralized or coordinated assessment system will help to better match individuals and families with the most appropriate assistance. Under homelessness prevention assistance, funds are available to persons below 30% of Area Median Income (AMI), and are homeless or at risk of becoming homeless.

ESG funds can be used to prevent an individual or family from becoming homeless and/or regain stability in current housing or other permanent housing. Rapid re-housing funding will be available to those who are literally homeless to ultimately move into permanent housing and achieve housing stability.

7. Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.

Standards for both homelessness prevention and rapid re-housing for determining the share of rent and utilities costs that each program participant must pay, if any, will be based on the following:

- Rental assistance cannot be provided for a unit unless the rent for that unit is at or below the Fair Market Rent limit, established by HUD. A complete listing of Fair Market Rents can be found at: <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/2012/>
- The rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for comparable unassisted units. See 24 CFR §74.320.
- The rental unit must meet minimum habitability standards found at 24 CFR §76.401.
- There must be a rental assistance agreement and lease between property manager and tenant as well as the owner of property and ESG sub-recipient.
- No rental assistance may be made to an individual or family that is receiving rental assistance from another public source for the same time period, and
- Rental assistance may not be provided to a participant who is currently receiving replacement housing payments under Uniform Relocation Assistance.

Per 24 CFR 576.106 (e), ESG sub-recipients may make rental assistance payments only to an owner with whom the sub-recipient has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the sub-recipient a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant.

8. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.

Subject to the general conditions under 24 CFR 576.103 and 24 CFR Part 576.104, ESG sub-recipients may provide a program participant with up to 24 months of rental assistance during any 5-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

Short-term rental assistance is assistance for up to 3 months of rent. Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent. Payment of rental arrears may consist of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.

The maximum amount of rental assistance provided and, an individual or family's level of responsibility for rent payments, over time, shall be determined by the ESG sub-recipient and shall be reflective of the individual or family's need for rental assistance and the level of financial resources available to the ESG sub-recipient.

9. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receives assistance; or the maximum number of times the program participants may receive assistance.

Subject to the general conditions under 24 CFR 576.103 and 24 CFR Part 576.104, sub-recipients may use ESG funds to pay housing owners, utility companies, and other third parties for some or all of the following costs, as allowed under 24 CFR 576.105:

- Rental application fees
- Security deposits
- Last month's rent
- Utility deposits

- Utility payments
- Moving costs, and
- Some limited services costs

Consistent with 24 CFR 576.105 (c), LSC sub-recipients shall determine the type, maximum amount and duration of housing stabilization and/or relocation services for individuals and families who are in need of homeless prevention or rapid re-housing assistance through the initial evaluation, re-evaluation and ongoing case management processes.

Consistent with 24 CFR 576.105(d), financial assistance for housing stabilization and/or relocation services cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the Uniform Relocation Act (URA) during the period of time covered by the URA payments.

APPENDIX I:

FAIR HOUSING PLAN

Montgomery County Fair Housing Plan

Policy Statement

It shall be the policy and commitment of Montgomery County, Texas to ensure that equal and fair housing opportunities are granted to all persons, in all housing opportunities and development activities funded by the County, regardless of race, color, religion, gender, sexual orientation, marital status, lawful source of income, national origin, age, familial status, ancestry or mental or physical disability. This shall be done through a program of education, an analysis of impediments, designation of a Fair Housing Officer and development of a procedure for complaints of discrimination. This plan will incorporate the directives of state and federal laws and executive orders, which include but are not limited to:

- a. Title VI of the Civil Rights Act of 1964
- b. The Fair Housing Act – Title VIII of the Civil Rights Act of 1968, as amended
- c. Executive Order 11063, as amended by Executive Order 12259
- d. Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended
- e. Section 109 of Title I of the Housing and Community Development Act of 1974, as amended
- f. Section 3 of the Housing and Community Development Act of 1968, as amended
- g. Sections 503 and 504 of the Rehabilitation Act of 1973, as amended
- h. The Americans with Disabilities Act of 1990
- i. The Age Discrimination Act of 1975, as amended
- j. Executive Order 11246 (as amended by Executive Orders 12375 and 12086) Equal Opportunity Under HUD contracts and HUD-assisted Construction Contracts
- k. Executive Order 12892, Leadership and Coordination of Fair Housing
- l. Texas Fair Housing Act
- m. Texas Property Code, Chapter 301, Title 15-Fair Housing Practices

Montgomery County commits to providing and promoting racial and economic integration in any housing development supported with federal funding and will take affirmative steps to reach beneficiaries from all ethnic and racial groups as well as the mentally or physically handicapped and families with children and to reach a broad range of income eligible beneficiaries for appropriate and applicable housing opportunities.

Montgomery County commits to limiting the concentration of its undesirable infrastructure improvements to residential areas where there is a concentration of “protected classes” residing.

Fair Housing issues will be considered in all activities conducted by community development, and Fair Housing implications will be addressed in all aspects of planning. Documentation of the review, including Neighborhood Suitability Assessments, reports of NIMBYism, and Analyses of Impediments, will be included in annual reports to HUD.

Selection of Fair Housing Liaison

In accordance with the Title VIII, Civil Rights Act of 1968, as amended, the Fair Housing Liaison below has been designated to handle fair housing complaints and activities in Montgomery County:

Autumn Haley
Fair Housing Liaison
Montgomery County Community Development
501 N. Thompson Suite 200
Conroe, TX 77301
Office: 936-538-8060
Fax: 936-538-8061

The Fair Housing Liaison is responsible for the intake and processing of all housing complaints as well as implementation of the Fair Housing Plan activities and actions. While not expected to be an "expert" in Fair Housing Laws, at a minimum, the liaison will be familiar with the complaint process and federal and state laws which address Fair Housing. Records which show the date, time, nature of complaint, referrals and recommendations made in the complaint process(es) will be fully documented. A separate file will maintain a record of all housing discrimination complaint and follow-up actions.

Complaint Process

Housing discrimination complaint forms such as forms HUD 903 and HUD 903A (Spanish version) from HUD's website, <https://www5.hud.gov/Hud903/main/pagHUD903Form.jsp> as well as a summary of actions which constitute housing discrimination, and instructions for completing and filing housing discrimination complaints will be made available to citizens at the office of Montgomery County Community Development, 501 N. Thompson Suite 200, Conroe, TX 77301. Forms and instructions can also be obtained on the Montgomery County website at: www.mctx.org

Forms will periodically be distributed to lenders, realtors, the Housing Authority, and at other public places such as local libraries and community centers.

The Fair Housing Liaison will reasonably assist the complainant in submitting the complaint to the appropriate body by providing assistance in explaining the forms and/or contacting the appropriate office and allowing the use of public phones for communication.

The individual(s) filing the complaint will then be advised of the option of filing directly with the Department of Housing and Urban Development (HUD) either by phone and/or by mail, or the Equal Employment Opportunity Commission, or the Workforce Commission or with all agencies

simultaneously. The Fair Housing Liaison will do due diligence to keep a record of the progress of the number of complaints filed, actions taken, and the status of each complaint.

Implementation and Action Steps

A Fair Housing Workgroup was created on August 24, 2011. Each person was hand selected by County Judge Alan Sadler with recommendations from Montgomery County Community Development Director Dr. Joanne Ducharme. The workgroup is made up of a diverse and knowledgeable group of various community members. Members of the workgroup volunteer their time to work together to create a longstanding plan for the citizens of Montgomery County. The workgroup membership is made up of not less than 5 and not more than 15 members. The group is responsible for identifying fair housing impediments and proposing action steps for addressing them based on data Community Development obtains. The group is required to meet at least annually to review the Action Plan to monitor progress, report findings and make recommendations to the governing body. The officers of the group confer at least every six months.

Montgomery County will take the following specific action steps and implementation activities over the five year period coinciding with the County's Five-Year Consolidated Plan, following the guidelines provided by the Fair Housing workgroup.

1. Implement a testing program. Members of the Fair Housing Workgroup will undertake a telephone testing program to assess for Fair Housing violations. Workgroup members will test affordable multi-family apartment complexes, higher-rent apartment complexes, and single family rental landlords chosen at random from a list provided by the Montgomery County Housing Authority and culled from Want Ads in the local newspaper. Testing will occur in conjunction with updates to the Analysis of Impediments for Montgomery County.
2. Continued community education and training.
 - a. A training video will be developed and disseminated to elected officials and department heads within the first 12 months on the job, and posted on the County website.
 - b. The video and other educational materials will be made available at training sessions for Realtors and Lenders participating in the First Time Homebuyer program.
 - c. Members of the Fair Housing Workgroup will undertake providing materials and education to local community leaders and city elected officials.
 - d. Public Service announcements will be developed and broadcast on local radio stations, using elected officials, sports celebrities, and/or other local celebrities as spokesmen and spokeswomen.

- e. Montgomery County will display Fair Housing posters identifying the County's Fair Housing liaison, title, address and phone number in prominent locations such as nonprofit lobbies and community centers.
 - f. Fair Housing information will be distributed outside of traditional locations, including local Realtors' offices and bank lobbies and in kiosks displaying Homes for Sale catalogs. Information will also be distributed to Realtors and mortgage loan originators.
3. Handicapped access for all housing and infrastructure projects. All projects constructed with Community Development funds will be designed so people with disabilities have full access to all facilities. Housing will include no-step entries and other wheel-chair accessible features, regardless of whether the residents need the features or not, to promote "visitability" of structures.

Additional Steps

1. Anti-NIMBYism. It is the policy of Montgomery County to discourage NIMBYism wherever encountered. The following steps will be taken to counteract NIMBY issues:
 - a. Community Development will consult one-on-one with concerned citizens as needed.
 - b. Community Development will assist and educate Affordable Housing Developers with ideas and suggested approaches for how to educate the public and minimize resistance, for example, suggesting the Developers bring tenants to Town Hall meetings to give live testimony about the quality of projects, provide video testimonials of tenants, obtain letters from police/fire departments debunking myths about increased crime and traffic near projects, etc.
 - c. NIMBYism will be covered in the training video produced by the County.
 - d. Members of the Fair Housing Workgroup will seek opportunities to present factual data about Affordable Housing to local impacted elected officials and community leaders.
2. All advertising of residential real estate owned by Montgomery County for sale, rent or financing will contain the Fair Housing logo, equal opportunity slogan as a means of educating the home seeking public that the property is available to all persons regardless of color, religion, sex, race, physical or mental disability, familial status, sexual orientation, marital status, age, national origin, ancestry, or lawful source of income. The type of logo, statement or slogan will depend on the type of media being used (visual or auditory).

Analysis of Impediments

Montgomery County will conduct a periodic Analysis of Impediments. Each Analysis will include the following components:

1. Conduct a review of policies, practices and procedures that affect the location available and accessibility of housing.
2. Conduct telephone testing to ascertain if any discriminatory renting practices are occurring.
3. Survey the residents of the county to determine if they have experienced discrimination in housing or know anyone who has.
4. Review census and other data to identify whether specific minority groups are underrepresented in public and affordable housing.

Montgomery County will update its local Analysis of Impediments at least every five years and more frequently if economic or demographic conditions change dramatically and require interim updates.

Timetable

The County will continue to follow these guidelines as we proceed with the continuation of the Montgomery County Fair Housing Plan.

Amendments

Montgomery County will amend and revise this Fair Housing Plan as required to keep current with state/federal affirmative action and equal opportunity policies and procedures and local actions and activities to further the purposes of this plan.

Alan B. Sadler, County Judge

Date

APPENDIX J:

POLICIES AND PROCEDURES FOR ASSESSING CHDO CAPACITY

POLICIES AND PROCEDURES FOR ASSESSING CHDO CAPACITY

BACKGROUND:

Montgomery County receives a yearly allocation through the U.S. Department of Housing and Urban Development (HUD) under the HOME Investment Partnerships (HOME) program. The county is using funds to develop housing for special populations and low income persons, and to provide down payment assistance to enhance homeownership opportunities for low income persons.

Activities funded through the HOME Grant must be able to show direct and measurable results. In reporting to HUD on the use of these funds, the County must use verifiable statistics relating to ultimate beneficiaries. As a result, funded agencies must be able to assemble this information. Similarly, Community Development funds cannot be used to fund sectarian activities, as this would violate the principle of separation of church and state.

CHDOs (Community Housing Development Organizations) are MCHD-certified organizations that are incorporated as nonprofits under State of Texas law. A CHDO must demonstrate staff capacity and development in order to retain CHDO status; a CHDO may not subcontract all program-related duties on a continual basis. CHDOs can apply for HOME grant funds to complete eligible development, ownership, and sponsorship housing projects within their jurisdiction. Such activities include new construction of multi- or single-family housing, acquisition of multi- or single-family housing, and rehabilitation of multi- or single-family housing owned by the CHDO in conjunction with acquisition of multi- or single-family housing.

Montgomery County Community Development (MCHD) will focus on the purposes and goals listed below. The priorities are outlined in more detail in the Montgomery County Consolidated Plan and its corresponding Annual Action Plan.

Housing Stock:

Assist in the preservation of existing or construction of decent, safe, sanitary, and affordable housing.

Affordability:

Increase or improve the stock of affordable rental units and the affordability of homeownership.

Greatest Need:

Give preference to those projects which serve the lowest income residents, which may include elderly and physically or mentally disabled residents needing assistance. Address

housing needs for minority and special needs populations and assist in building local capacity to meet those needs.

Essential Financing:

Allocate only the minimum amount of HOME funds that MCCD determines to be necessary for the financial feasibility of the project and its viability as a qualified affordable housing project throughout the period of affordability. Give preference to projects which provide the greatest number of qualified affordable units relative to the HOME funds allocated.

Innovation:

Encourage innovative approaches in planning, design, construction, energy efficiency, and financing which are cost-effective in providing affordable housing. Address housing environmental hazards, such as lead-based paint, asbestos, and black mold.

Leverage Private Sector Funds:

Maximize the investment of private capital to leverage HOME funds and use existing agencies and private sector mortgage financial institution resources, while retaining the affordability of housing with local and private investment.

In accordance with these stated purposes and goals, MCCD will only process applications consistent with the purposes and goals of these Guidelines and the Department's Consolidated Plan. Applications may be from individuals requesting assistance for personal homes (in the case of housing rehabilitation and reconstruction), or from organizations requesting funding to develop housing, rehabilitate or reconstruct client homes, or provide downpayment assistance.

In cases where the Applicant is an organization, MCCD will consider the capacity of the Grantee, its management team, and the availability of contractors and subcontractors in assessing the viability of each proposed project.

POLICY STATEMENT:

To the extent that anything contained in these Guidelines does not meet the minimum requirements of federal law or regulation, such law or regulation shall take precedence over these Guidelines.

It is a policy of Montgomery County that:

1. HOME funds can be used to pay operation expenses for the specific activity or program identified in the application, including costs for personnel, materials, supplies, tests, fees, rent, utilities, and equipment directly related to delivery of the program or activity. Purchase of equipment is subject to other federal restrictions.

2. Funding for activities which will benefit Montgomery County residents along with others outside the jurisdiction of the County will generally not be made available, unless financial commitment to support the activity is provided by all jurisdictions benefitting from the activity.

3. Priority for funding will be to those activities showing capacity to provide quantifiable benefits to the larger number of low-income residents of Montgomery County identified as a priority in the current Consolidated Plan.

4. The purpose of providing these funds is to pay operating expenses and should not be provided for the purpose of building up or maintaining an agency's cash reserve.

5. Areas served by funded CHDOs must be in the legal established boundaries of Montgomery County.

6. Reconstruction or new construction for properties located in a 100 year floodplain will be elevated in order to alleviate floodplain conditions. Properties located in airport runway clear zones are ineligible for federal assistance.

7. All subrecipients are required to follow appropriate OMB standards.

8. There is no cap on the amount of HOME funds a single entity may request. Applicants should request only the minimum level of funding necessary to carry out their programs. Grant requests must be sufficient in combination with other proposed funding sources to complete the proposed activities.

9. CHDOs are also eligible to participate in non-CHDO housing activities.

10. Recertification of eligibility as a CHDO occurs annually, or at funding.

11. The chosen CHDO project will address a priority need of the current five year plan.

12. According to HUD regulations, tenant-based rental assistance, homebuyer assistance (where the CHDO does not hold title to the property at some time during the grant period, immediately prior to the new homeowner) and homeowner rehabilitation projects are not considered CHDO-eligible activities. A CHDO may apply for funds to perform a non-CHDO activity, but would not receive special consideration for the 15 percent set-aside funds. The activities of a CHDO in connection to its role as a subcontractor or collaborator in the Montgomery County Housing Rehabilitation Collaborative or other internal departmental projects are not subject to the CDBG public service set-aside or the HOME CHDO set-aside.

MCCD reserves the right to reserve and allocate HOME funds to any project. MCCD may deny HOME funds for any project, regardless of the ranking score under the project

selection criteria, if it determines; in its sole discretion, the project is unacceptable based on, but not limited to the following:

- negative comments on or lack of support from officials of local governmental jurisdictions,
- information that a particular market is saturated with affordable housing projects,
- the likelihood that the project may not comply with HOME program requirements in a timely manner, or
- the Applicant's (including any related party's) lack of or unacceptable prior experience and performance related to compliance with housing assistance or other government-sponsored programs, regardless of type and location.

If MCCC determines not to award HOME funds on such basis, it will set forth the reasons for such determination.

All funding decisions made under these Guidelines shall be made solely at the discretion of MCCC. MCCC in no way represents or warrants to any Applicant, investor, lender, or any other party that a proposed project is, in fact, feasible or viable.

MCCC reserves the right to place special conditions on projects.

MCCC reserves the right to modify or waive, on a case-by-case basis for good cause, any condition of these Guidelines that is not mandated by the 24 CFR Part 92.

MCCC reserves the right to exchange information with other state and federal allocating agencies and with other parties as deemed appropriate. By submitting an application for HOME funds, the Applicant is acknowledging and agreeing to this exchange of information.

If HOME funds are expended on a project that is terminated before completion, the expended funds must be repaid.

No executive, employee or agent of MCCC or any other official of Montgomery County shall be personally liable concerning any matters arising out of, or in relation to, the allocation of HOME funds or the approval or administration of these Guidelines.

If a CHDO constructs housing and is not able to sell the housing within 6 months of completion, it must be converted to rental units for the full Affordability Period.

PROCEDURE FOR ALLOCATING CHDO SETASIDE FUNDS

Applicants are encouraged to notify MCCC before proceeding with an application to ensure that proper procedures are followed.

Annually in January, Community Development releases a HOME application to the general public and interested parties, for consideration of both CHDO and other HOME-eligible projects. Applications are posted on the County website, available in hard copy in the Community Development offices, and emailed to requesting entities. An announcement of the availability of the application is posted in the English- and Spanish-language newspapers in the County and notification is sent to agencies on an interested party list.

Agencies have approximately two months to complete and submit an application.

Citizens Advisory Committee

Project priority-ranking sheets are prepared by the Community Development Citizens Advisory Committee and used in their selection of the projects that Community Development will undertake in the next year.

The purpose of the Citizens Advisory Committee is to improve and ensure citizen input and participation in decisions made regarding MCCD funds. To serve on this Committee, a member must be a resident of Montgomery County at least eighteen (18) years of age, have transportation and an ability to attend meetings and public hearings, and the ability to read and write in English.

Each Precinct Commissioner appoints one to two representatives of his precinct and the County Judge selects one to three at-large representatives to serve as a Citizens Advisory Committee for Community Development. Appointees serve at the pleasure of their Commissioners for five year terms, renewable without term limits.

Once per year, or more often if additional funding comes available for Montgomery County, these citizen representatives preside over public hearings, then meet to review and discuss a) information obtained in the public hearings, b) information obtained by other survey methods, and c) applications for funding. Committee members score and prioritize applications according to the established priorities of the Community Development Department, and make recommendations for funding as a group to the Director. Throughout the year, members notify the Director of information vital to meeting community needs, participate in survey or other information-gathering projects, and assist the Director in developing strategies for addressing identified needs.

The Montgomery County Community Development Citizens Advisory Committee consists of a racial, ethnic and socio/economic cross-section of Montgomery County citizens. Members of the Committee are also involved in public service activities and community development activities in Montgomery County. The members are appointed by the Montgomery County Commissioner's Court and serve staggered terms. The Community Development Citizens Advisory Committee decided the topics for the county-wide focus groups and reviewed questions for the county-wide community Needs and Perceptions Survey (described below), heard presentations, reviewed proposals and data, and prioritized projects based on their view of how Community Development funds

could have the greatest impact on the lives of low-income citizens across the entire Montgomery County area. The Community Development staff, County Officials, and County staff also provided information with regard to this planning process.

RANKING CRITERIA

All Applicant organization projects under consideration for a HOME CHDO grant award are evaluated using specific criteria after the Minimum Threshold Requirements are met.

Each criterion has been assigned a number of points representing its relative priority or worth. Each application is awarded points based on the Applicant's overall response to each specific criterion, *in comparison to other applications*. It is incumbent upon the Applicant to prepare and submit documentation to verify standards, conditions or statements presented in response to any of the ranking criteria. All statements and summaries provided in response to the ranking criterion must be supported by pertinent documentation.

MINIMUM THRESHOLD REQUIREMENTS

Applications must be complete when submitted to Montgomery County Community Development (MCCD). The following identifies the minimum regulatory requirements to compete for HOME CHDO Setaside funds.

Application

1. Application postmarked or received on or before application deadline date.
2. Applicant use correct format for Uniform Application and HOME Guidelines, or received a written waiver from The Department to use a different format.
3. Applicant applied to HOME only once this round, either for CHDO Setaside or other HOME funds.
4. Applicant included an overall narrative describing the proposed program.
5. Narrative enabled the Advisory Committee to gain an immediate understanding of the overall scope of the proposal, including the key elements of the program.
6. Applicant is a CHDO, with a project specifically consistent with the local consolidated plan.
7. Resolution to Authorize Submission of Application and Agreement to Certification for Application dated within 6 months of the application submission and signed by the Chief Elected Official, Nonprofit Board President or Executive Officer.
8. Includes an original signature or a certified copy of an original.
9. Implementation Schedule shows project completion within 48 months.

Match Eligibility

1. Minimum 25% match requirement will be met with match eligible funds.
2. A detailed Sources and Uses Statement of HOME match is included in the application.

Site Control

1. For rental or new construction projects, Applicant has firm evidence of site control. (Title, deed, 75-year lease, etc.)

Financial

1. CHDO submitted a summary of recent years operating expenses.
2. CHDO's HOME-funded operating expenses are less than 50% of the CHDO's total operating expenses or \$50,000, whichever is greater.

Prior Grants

1. If prior HOME grant(s) are outstanding, all audit, monitoring, or performance findings have been resolved.
2. If prior HOME grant(s) are outstanding, Applicant is in compliance with project Implementation Schedule.

ADDITIONAL CONSIDERATIONS

Staff

1. Must have paid staff, FT or PT. Payroll stubs or W2s will be required as proof.
2. Staff must have day to day duties and authorization to make decisions
3. Comparable development experience -- similar projects or relevant

Financial

1. Capacity to fund the project and pay staff
2. Likelihood of continued operation -- ratio above 1 of assets: liabilities.
3. Balance Sheet, P&O, Audit
4. Any outstanding loans?

Ability to handle contingencies

1. Rental property management experience
2. History selling houses timely

Marketing experience

1. Relationships with realtors
2. Understanding of Affirmative Marketing

Other

1. Understanding of HOME CHDO rules
2. Understanding of federal crosscutting regs
3. Training history
4. Board of Directors
5. Strategic plan

A copy of the HOME Program Evaluation Form, used to score and rank applications, is attached.

CHDOs must submit, with their application, a letter from the unit(s) of local government for the political jurisdiction in which the HOME activities are proposed. The letter must

state the local government is aware of the proposed CHDO housing project and the project is consistent with local comprehensive plans and zoning ordinances. A CHDO administratively headquartered in an entitlement city may propose a project within its operational area and compete for MCCD HOME funds, as long as the proposed project is not within the entitlement city limits or jurisdiction.

JOINT APPLICANTS

Joint Applicants (two or more eligible Applicants) may submit an application under the following conditions:

- the problem to be addressed lies in an area of contiguous jurisdiction;
- the solution to the common problem clearly requires cooperative action and is the most efficient strategy;
- the joint Applicants do not apply for another HOME grant, jointly or separately, during the same grant competition; and
- one joint Applicant is designated as the Lead Applicant during the term of the HOME project and period of affordability. The Lead Applicant must accept full responsibility for application submission and for administrative, regulatory, and financial management requirements.

CONTRACTS

The County will execute **subrecipient agreements** that clearly specify performance objectives, outcomes, and outputs to satisfy HUD's new Performance Measurement System and to assist staff with contract monitoring. The County will include revised monthly reports with all subrecipient agreements to facilitate IDIS reporting and contract monitoring.

If the County terminates a sub-recipient funding agreement due to agency failure to comply with contract terms or a grantee chooses to terminate the contract for any reason, the affected agency will be barred from applying for CDBG funds for three years from the date of contract termination.

Release of funds is contingent on the review and approval of an Environment Review Record/Assessment. If the Applicant has completed an Environmental Review Record, beyond the minimum required in the Uniform Application, Section D, provide a copy to ensure project meets this criterion for the release of funds.

Program Income is any repayment, interest earned and return on any investment of HOME funds during the applicable period of affordability. CHDO Proceeds are funds generated from CHDO-eligible activities. Once CHDO proceeds have been reported and used once on HOME-eligible activities, there are no further HOME requirements. CHDO Proceeds stay with the CHDO to continue the program.

ANTI-DISPLACEMENT POLICY

MCCD will not allow permanent displacement of current residents of any project funded with HOME funds. All residential tenants in place prior to the submission of an application through the completion of the proposed construction and issuance of the certificate of occupancy are candidates for assistance under this provision, found in 24 CFR 92.353. If there are existing residents who are not eligible for the program, the owner may request HOME assistance for vacant units or those occupied by eligible tenants only. Owners of developments with tenants in place prior to submission of the application MUST comply with Federal Relocation Requirements found in 24 CFR 92.353.

Applicants are encouraged to notify MCCD before proceeding with an application to ensure that proper procedures are followed. Improper procedures may substantially increase the costs to the project or render the project infeasible. The project owner will pay relocation payments and other relocation assistance, including replacement-housing costs, moving expenses, and reasonable out-of-pocket costs incurred in the relocation of persons.

FAIR HOUSING STATEMENT AND POLICY

It shall be the policy and commitment of Montgomery County, Texas to ensure that equal and fair housing opportunities are granted to all persons, in all housing opportunities and development activities funded by the County, regardless of race, color, religion, gender, sexual orientation, marital status, lawful source of income, national origin, age, familial status, ancestry or mental or physical disability. This shall be done through a program of education, an analysis of impediments, designation of a Fair Housing Officer and development of a procedure for complaints of discrimination. This plan will incorporate the directives of state and federal laws and executive orders, which include but are not limited to:

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- c. Executive Order 11063, as amended by Executive Order 12259
- d. Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended
- e. Section 109 of Title I of the Housing and Community Development Act of 1974, as amended
- f. Section 3 of the Housing and Community Development Act of 1968, as amended
- g. Sections 503 and 504 of the Rehabilitation Act of 1973, as amended
- h. The Americans with Disabilities Act of 1990

- i. The Age Discrimination Act of 1975, as amended
- j. Executive Order 11246 (as amended by Executive Orders 12375 and 12086)
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MONITORING

The Montgomery County Community Development Department will monitor the HOME CHDO grants using the procedures described below. Subrecipients and subgrantees of HOME CHDO Program funds will be required to submit the following:

- 1) An application containing a work plan and budget plan that sets forth expenditures and goals for the program;
- 2) Progress reports, including information pertaining to the rate of expenditures and progress toward meeting performance goals;
- 3) A client data summary, including information describing the clients served, such as income, household size, ethnicity, and female head-of-household designation;
- 4) An annual performance report, evaluating the agency's performance for the previous year;
- 5) Title VI compliance records;
- 6) Section 3 compliance records (construction contracts only);
- 7) Annual Audits and Management Letters;
- 8) Any other compliance records required by HUD or requested by the Department.

The Montgomery County Community Development Department grant monitoring staff will be responsible for the following:

- 1) Monitoring of affirmative action and fair housing compliance;
- 2) Environmental reviews;
- 3) Construction monitoring;
- 4) Monitoring compliance with the Uniform Relocation and Assistance Act;
- 5) Periodic (at least annually) visits to Subrecipients to evaluate fiscal and program compliance;
- 6) Preparation of the annual performance report; and
- 7) Any other monitoring and maintenance of records required by HUD.

Montgomery County Community Development reserves the right to inquire into any suspicion or allegation of wrongdoing or policy violation against a recipient of CPD funds, regardless of the source of the allegation.

Detailed descriptions or project expectations are included in Subrecipient contracts, which are prepared by the Montgomery County Attorney's Office. Issues of legal noncompliance are referred to the County Attorney's office for handling.

In addition, the Community Development department works closely with the Montgomery County Auditor's Office to ensure the integrity of financial transactions with Subrecipients, subcontractors, and consultants.

COMPLAINTS

Upon receipt of a written complaint, the Director of the Montgomery County Community Development Department will research the complaint and situation, as well as local and federal guidelines and regulations to determine whether the complaint is justified and recommend action if appropriate. A written response outlining the determination and any proposed action will be made within fifteen (15) working days of the receipt of the written complaint. If no determination can be made within fifteen (15) days, the person(s) may be notified as to when a response can be expected.

Dispute Resolution and Grievance Process

Applicants can file complaints or grievances to Montgomery County on any issue or concern that may arise during their application review period and/or during the time that work is being done on their home, or within the timeframe of this program. Appeals may be submitted in writing to: Appeals Committee 501 N. Thompson Suite 200 Conroe, TX 77301. The appeals committee consists of appointees from each precinct plus at-large appointees. The committee will review your file and respond within two weeks of receipt of the written appeal. If the applicant is not satisfied with the Montgomery county appeals committee decision, they can further appeal to HUD.

RECORD KEEPING

CDBG Disaster Recovery Program files and financial records will be maintained and accessible for monitoring and auditing purposes for a period of five years after contract close-out. Open records requests will be handled in accordance with the Texas Open Records Act.

CONSTRUCTION STANDARDS AND LEAD-BASED PAINT REQUIREMENTS

Local building codes, specifications, standards, and health and safety codes for new construction / reconstruction are all constructed and inspected in accordance with the

International Residential Code, repair and rehabilitation work will be constructed and inspected in accordance with Housing Quality Standards or whatever standards are in effect with HUD at the time of inspection. All reconstructed and newly constructed housing units comply with the universal design features in new construction, established by §2306.514. All regulations include compliance with Section 31 of the Federal Fire Prevention Control Act of 1974. Photos will be made and retained in the files of the front exterior, back exterior, and interior views of the home before, during and after construction.

MATCH

HOME Program subrecipients must contribute to qualified housing in an amount equal to at least twenty five percent (25%) of HOME project funds. These contributions are referred to as match.

A match amount equaling twenty five percent of project funds is a minimum threshold requirement. During the ranking process, an Applicant's proposed match will be compared to other applications submitted. Before submitting an application, an Applicant **MUST** consult with HOME Program staff at (936) 538-8060 to determine if its proposed match source is eligible and request, in writing, a letter (or e-mail) from MCHD confirming match eligibility. The written request for confirmation must include the specific dollar amounts for all proposed sources of match, and the amount of HOME funds to be requested. The Applicant must submit the confirmation letter from MCHD in its grant application. Applicants must clearly document proposed matching contributions or HOME will not consider the grant application for ranking.

To be considered eligible match, a contribution must be made from nonfederal sources and must be made to housing that is assisted with HOME funds.

MARKET ANALYSIS

Applicants must document the need and potential market for any proposed rental project. Applicants are strongly encouraged to conduct their own market analysis prior to undertaking a homebuyer assistance or homeowner rehabilitation program. Differing levels of analysis are required to determine the need and market for any given project depending on the type and complexity of that project. As with any investor, the higher the risk involved with a project, the more analysis the HOME Program will require with an application. This suggests that there is a spectrum of analysis ranging from a formal market study for newly constructed rental housing to minimal market analysis for tenant-based rental assistance.

At the base of any market analysis is a housing needs assessment, which is often a survey done as part of a broader community needs assessment. The results of a housing needs assessment should be analyzed for direction, rather than just tabulated for reporting. This analysis should identify a list of housing needs with a corresponding list of opportunities for meeting those needs.

After the list of needs and opportunities is identified, the Applicant must analyze the market to identify a specific potentially feasible project and provide a greater level of detail about that project's market potential. The Applicant should identify the specific demand for a project in terms of who would want to participate in the proposed project, and who would have the capacity and qualifications to do so.

The Market Analysis must 1) prove adequate need for the project, 2) be tied to program design decisions, 3) take into account the types of needed housing, target locations/neighborhoods, and target household types, 4) whether the proposed units can reasonably be expected to sell within six months of completion or be leased thereafter, and 5) whether the development would adversely impact existing affordable housing developments.

Topics to be covered in the Market Analysis:

- Housing Demand (Is the market growing, contracting or stable?)
- Demographic trends (What group needs housing most?)
- Housing Supply (Trending of sales volume, prices, length on market.)
- Construction trends
- Vacancy rates (Is the vacancy rate increasing, stable or declining?)
- Market Context (target area)
- Rental separate from HomeBuyer

CHDO DEVELOPMENT FEE

MCCD certifies CHDOs to own, sponsor, and develop affordable housing. The development fee aids the nonprofit in its ability to grow and develop affordable housing and help continue the organization's operating capacity.

Certified CHDOs, applying for a CHDO-eligible activity, may receive a development fee in addition to applicable soft costs. The maximum development fee allowable is equal to 10 percent of the HOME project funds being requested. The development fee is incorporated into the total HOME cost for a project and the funds are associated with the current project address(s). MCCD will not use a development fee in the provision of in-house HOME-funded services.

HOME funds will not duplicate or supplement other sources of funding. Projects receiving Low Income Housing Tax Credit (LIHTC) proceeds or other funds that already have access to a developer fee may not include a HOME-funded development fee as part of the HOME-eligible project costs.

Development fees will assist the CHDO by providing seed money to help develop a new CHDO-eligible HOME project. The development fee will not supplement the current

project, as CHDOs will receive the development fee upon completion of the current project.

NOTE: CHDOs will receive the development fee once to help grow and develop affordable housing in their jurisdictional area. Future development fees are contingent upon the CHDO submitting another fundable application to the HOME program within three years.

CONFLICT OF INTEREST REQUIREMENTS

Participants in a HOME CHDO project may have possible conflicts of interest, either individually or in connection with a family member or relative, that precludes them from participating in the program. HUD may grant an exception on a case-by-case basis.

Only MCCD may request an exception to a conflict of interest of HUD, and only after complete disclosure of the nature of the conflict at an advertised public hearing held for that purpose. The County Attorney's Office must issue an opinion that the interest for which the exception is sought does not violate federal, state, or local law. HUD will then review the information concerning disclosure, public hearing, and attorney's opinion.

The required public hearing, attorney's opinion, and request for exception by HUD should be described in the Applicant's Management Plan.

MCCD reserves the right not to request exceptions from HUD when deemed not in the best interests of the Department or County.

MONTGOMERY COUNTY COMMUNITY DEVELOPMENT

2012 HOME Program Evaluation Form

Applicant: WALKER - MONTGOMERY COUNTY COMMUNITY DEVELOPMENT- CHDO

Project: _____

National Objective: _____

Amount HOME Funds Requested: _____ Total Project Cost: _____

Criteria:	Maximum Points	Actual Points
1. Project is consistent with Consolidated Plan. If yes, High priority Medium priority Low priority No priority	(25 pts) (10 pts) (05 pts) (00 pts)	
2. Has the entity ever performed the proposed activity before? If yes, evaluate the result of this effort. Excellent Good Adequate Poor Inadequate/No experience/Not Enough Information	(05 pts) (20 pts) (15 pts) (10 pts) (05 pts) (00 pts)	
3. Does the entity have experience with HOME or other federal programs?	(10 pts)	
4. Does the entity's staff appreciate the additional requirements and administrative burdens associated with federal funding (i.e.: staff must split their time between HOME and non-HOME functions and keep detailed records of time spent on specific activities)?	(10 pts)	
5. Is the entity familiar with the specific regulatory requirements associated with the proposed activity?	(10 pts)	
6. Does the entity have adequate administrative and fiscal structures in place to deal with regulatory requirements and HOME guidelines? (i.e.: record keeping, audits, etc?) If no, does entity recognize it's organizational weaknesses and has it developed a plan for upgrading these aspects of it's operations? Excellent Good Adequate Poor Very Poor/Inadequate/ Not enough information	(05 pts) (04 pts) (03 pts) (02 pts) (00 pts)	

7.	Does the entity have qualified staff for all the necessary functions associated with the proposed activity/program?	(10 pts)	_____
8.	Is there adequate staff time available to manage the Proposed activity/program? If no, evaluate the entity's plan to fill these gaps in personnel.		
	Excellent	(05 pts)	_____
	Good	(04 pts)	_____
	Adequate	(03 pts)	_____
	Poor	(02 pts)	_____
	Inadequate/Very Poor	(00 pts)	_____
9.	Does the proposed activity/program description make sense?	(10 pts)	_____
10.	Do the delivery methods make sense?	(10 pts)	_____
11.	Has the need/problem been defined and documented?	(10 pts)	_____
12.	To what extent is the need/problem alleviated?		
	Totally	(10 pts)	_____
	Somewhat	(05 pts)	_____
	Not Affected	(00 pts)	_____
13.	Have the proposed activity/program objectives been defined and quantified?	(10 pts)	_____
14.	Is the proposed activity/program budget reasonable for HOME funding?	(10 pts)	_____
15.	Is the cost per HOME beneficiary reasonable?	(10 pts)	_____
	Number of beneficiaries _____		
	Total Costs _____ Average Costs _____		
16.	Does the entity have the ability to maintain and operate the proposed activity/program after the expenditure of HOME funds?	(10 pts)	_____
17.	Are matching funds a part of the proposal? If yes, what is the percent of the matching funds?		
	51% or more	(10 pts)	_____
	26% to 50%	(07 pts)	_____
	1% to 25%	(05 pts)	_____
18.	Has the entity been funded by Montgomery County Community Development before? If yes, please list most recent year, amounts and Activities funded and if current request is an Increase or decrease over last funding amount.	Yes No	_____
19.	How will the program be evaluated?		
	Sound evaluation tool or technique	(10 pts)	_____
	Verifiable statistics	(08 pts)	_____
	Random data	(05 pts)	_____
	The Director	(02 pts)	_____

20. How can we show we used these requested funds in the best way possible?

21. Personal involvement with the program or
Personal knowledge of the program by Board
member. (10 pts) _____

Special Considerations/Site Visit _____

Evaluator: _____ Date Evaluated: _____

Issues to consider:

Cost-Benefit Ratio	Additional Efforts Needed	Completion Timetable
Fund Commitments in Place	Health and Safety Issues	Necessity/Need for Project
		Prior Commitments

TOTAL SCORE FROM THIS EVALUATOR: _____ TOTAL, OVERALL
SCORE: _____

APPENDIX K:

HOME POLICIES AND PROCEDURES

**HOME Investment Partnerships Program (HOME)
Policies and Procedures**

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2. HUD CPD Notice 98-01
3. MCCD Application Checklist
4. Score Sheet for Ranking HOME Projects

I. PURPOSES AND GOALS

The HOME Program's purposes and goals are to:

(1) Expand the supply of decent, safe, sanitary, and affordable housing for low and very low-income residents of Montgomery County, Texas;

(2) Mobilize and strengthen the abilities of local organizations and Community Housing Development Organizations (CHDOs) to implement strategies for achieving an adequate supply of decent, safe, sanitary, and affordable housing;

and

(3) Provide participating entities, on a coordinated basis, with various forms of federal housing assistance.

Montgomery County Community Development (MCCD) will focus on the purposes and goals listed below. The priorities are outlined in more detail in the Montgomery County Consolidated Plan and its corresponding Annual Action Plan.

Housing Stock:

Assist in the preservation of existing or construction of decent, safe, sanitary, and affordable housing.

Affordability:

Increase or improve the stock of affordable rental units and the affordability of homeownership.

Greatest Need:

Give preference to those projects which serve the lowest income residents, which may include elderly and physically or mentally disabled residents needing assistance. Address housing needs for minority and special needs populations and assist in building local capacity to meet those needs. A Market Analysis will be required to determine need.

Essential Financing:

Allocate only the minimum amount of HOME funds that MCCD determines to be necessary for the financial feasibility of the project and its viability as a qualified affordable housing project throughout the period of affordability. Give preference to projects which provide the greatest number of qualified affordable units relative to the HOME funds allocated. A Financial Analysis will be required for project requests exceeding \$75,000.

Access to the HOME Program:

Provide opportunities for qualifying local organizations and CHDOs to access the HOME Program on behalf of low and very low-income residents.

Innovation:

Encourage innovative approaches in planning, design, construction, energy efficiency, and financing which are cost-effective in providing affordable housing. Address housing environmental hazards, such as lead-based paint, asbestos, and black mold.

Leverage Private Sector Funds:

Maximize the investment of private capital to leverage HOME funds and use existing agencies and private sector mortgage financial institution resources, while retaining the affordability of housing with local and private investment.

In accordance with these stated purposes and goals, MCCD will only process applications consistent with the purposes and goals of these Guidelines and the Department's Consolidated Plan. Applications may be from individuals requesting assistance for personal homes (in the case of housing rehabilitation and reconstruction), or from organizations requesting funding to develop housing, rehabilitate or reconstruct client homes, or provide downpayment assistance.

In cases where the Applicant is an organization, MCCD will consider the capacity of the Grantee, its management team, and the availability of contractors and subcontractors in assessing the viability of each proposed project. Capacity determinations include a requirement that the organization have paid staff (no all-volunteer organizations), experience with similar projects or similar sized projects, financial capacity, political will, and the ability to demonstrate sustainability of the project over the course of the Affordability Period.

II. POLICIES AND PROCEDURES

MCCD is responsible for the administration of the HOME Program in accordance with Title 24 Code of Federal Regulations Part 92. The HOME Program Application Guidelines provide a system for the allocation of HOME funds. Funding under the Guidelines is available throughout Montgomery County, with the exception of Conroe, which intends to receive allocations of HOME funds directly from HUD. Except where noted, when MCCD intends to carry out projects in house, it will abide by the Guidelines set forth for other Grantees.

A. APPLICATION DEADLINE

When an announcement of availability of funds is made, Grantee applications must be received at the MCCD office in Conroe or be postmarked on or before the posted deadline date. Full applications by facsimile will NOT be accepted.

Applicants must deliver one (1) original and one (1) complete copy of the application to:

Montgomery County Community Development
501 N. Thompson, Suite 200
Conroe, Texas 77301

Applications become the property of MCCD and will not be returned. Successful applications are loaned to potential applicants upon request, minus financial and audit information. Inaccurate information contained in an application will disqualify the Applicant from consideration. The Minimum Threshold Requirements for each HOME Application are included in the Ranking Criteria. Applicants who fail to meet any minimum threshold requirement will not be considered for funding.

Minor corrections to applications may be allowed, but applications requiring substantial revision or which are substantially incomplete will not be reviewed or ranked.

In general, Montgomery County releases applications one time per year, usually in late January, to initiate the application process for funds to be available the following October 1. Applications generally must be submitted by the end of March. Eligible applicants are required to present an oral presentation of the project before the Advisory Committee, during a public hearing, usually in April. Decisions for funding are generally made by June.

B. ALLOCATION

MCCD will distribute funds throughout eligible areas of the County. The Uniform Application and HOME-specific ranking criteria are designed to ensure that only projects which can be completed in a timely manner will be approved.

A minimum of 15 percent of the total HOME funds is available only to MCCD-certified CHDOs performing HOME CHDO-eligible activities. A CHDO is a nonprofit entity that has received a tax-exempt ruling under sections 501(c)(3) and (4) of the Internal Revenue Code of 1986, and is certified by MCCD as meeting the CHDO requirements contained in Exhibit 1. Recertification occurs annually, or at funding.

If all funds are not awarded, remaining funds will be retained and either used by the department for in-house projects or allocated in the next funding cycle. Funding will be available to all local nonprofits and CHDOs within the County who can demonstrate at least one year of operational experience. MCCD reallocation of unused funds may result from:

- uncommitted current fiscal year funds;
- unexpended or uncommitted funds from previous grant awards;
- program income returned to the County; *and/or*
- funds withdrawn from a tentative grant commitment when an Applicant is unable to fulfill the required contract conditions, including securing final commitments of all funding sources.

C. MAXIMUM GRANT AMOUNT

When allocating funds, HOME considers the total amount of assistance from both public and private sources needed to ensure project feasibility. There is no cap on the amount of HOME funds a single entity may request, however MCCD reserves the right to make partial and/or staged multi-year awards. Requesting funds for administration is not

allowed, however Applicants may request project dollars for administration-related soft costs for the following housing activities:

New construction
Tenant Based Rental Assistance (TBRA)
Acquisition
Rehabilitation
Homebuyer Assistance

All HOME costs (including soft costs) must be tied to specific housing addresses.

Applicants should request only the minimum level of funding necessary to carry out their programs. Grant requests must be sufficient in combination with other proposed funding sources, to complete the proposed activities within the contract period. The contract period lasts 48 months from the date the MCCD Director signs the contract. In the case of multi-year funding, the project must be complete within 48 months from the date of the first contract year.

An Applicant submitting or receiving a relatively small grant request should consider whether the proposed activities would result in high administrative-related costs relative to the total program cost.

A HOME application must include:

1. A completed Uniform Application
2. An oral presentation
3. Adequate supporting documentation.

Applicants may obtain both the Uniform Application form and the HOME ranking questions electronically from MCCD.

D. ELIGIBLE APPLICANTS

Each eligible Applicant may submit only one application in each annual HOME grant competition. (In-house projects performed by agencies collaborating with MCCD are not considered when determining eligibility for application.)

HOME entitlement cities receive HOME funds directly from HUD and, as such, receive and process all HOME applications for projects within their city limits. Entitlement cities are not eligible Applicants for MCCD HOME.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)

CHDOs are MCCD-certified organizations that are incorporated as nonprofits under State of Texas law. A CHDO must demonstrate staff capacity and development in order to retain CHDO status; a CHDO may not subcontract all program-related duties on a continual basis. CHDOs can apply for HOME grant funds to complete eligible development, ownership, and sponsorship housing projects within their jurisdiction. Such activities include new construction of multi-or single-family housing, acquisition of

multi- or single-family housing, and rehabilitation of multi- or single-family housing owned by the CHDO in conjunction with acquisition of multi- or single-family housing. Exhibit I contains a chart of eligible CHDO activities.

CHDOs are also eligible to participate in non-CHDO housing activities.

According to HUD regulations, tenant-based rental assistance, homebuyer assistance (where the CHDO does not hold title to the property at some time during the grant period, immediately prior to the new homeowner) and homeowner rehabilitation projects are not considered CHDO-eligible activities. A CHDO may apply for funds to perform a non-CHDO activity, but would not receive special consideration for the 15 percent set-aside funds. The activities of a CHDO in connection to its role as a subcontractor or collaborator in the Montgomery County Housing Rehabilitation Collaborative or other internal departmental projects are not subject to the CDBG public service set-aside or the HOME CHDO set-aside.

CHDOs must submit, with their application, a letter from the unit(s) of local government for the political jurisdiction in which the HOME activities are proposed. The letter must state the local government is aware of the proposed CHDO housing project and the project is consistent with local comprehensive plans and zoning ordinances. A CHDO administratively headquartered in an entitlement city may propose a project within its operational area and compete for MCCC HOME funds, as long as the proposed project is not within the entitlement city limits or jurisdiction.

JOINT APPLICANTS

Joint Applicants (two or more eligible Applicants) may submit an application under the following conditions:

- the problem to be addressed lies in an area of contiguous jurisdiction;
- the solution to the common problem clearly requires cooperative action and is the most efficient strategy;
- the joint Applicants do not apply for another HOME grant, jointly or separately, during the same grant competition; and
- one joint Applicant is designated as the Lead Applicant during the term of the HOME project *and period of affordability*. The Lead Applicant must accept full responsibility for application submission and for administrative, regulatory, and financial management requirements.

E. ELIGIBILITY REQUIREMENTS

Grantees (including all entities of a joint application) currently administering a HOME grant are eligible to reapply for an additional HOME grant in a subsequent year if:

- the Grantee is in compliance with the project implementation schedule contained in its active HOME contract with MCCC;
- there are no unresolved audit, monitoring, or performance findings for any previous HOME grant award to the Applicant;
- the Grantee with an open grant has 75% of the project funds drawn down; *and*
- all projects over two years old are completed and are conditionally closed out

before applying for additional funds.

F. DISCLAIMERS

MCCD reserves the right to reserve and allocate HOME funds to any project. MCCD may deny HOME funds for any project, regardless of the ranking score under the project selection criteria, if it determines, in its sole discretion, the project is unacceptable based on, but not limited to the following:

- negative comments on or lack of support from officials of local governmental jurisdictions,
- information that a particular market is saturated with affordable housing projects,
- the likelihood that the project may not comply with HOME program requirements in a timely manner, or
- the Applicant's (including any related party's) lack of or unacceptable prior experience and performance related to compliance with housing assistance or other government-sponsored programs, regardless of type and location.

If MCCD determines not to award HOME funds on such basis, it will set forth the reasons for such determination.

All funding decisions made under these Guidelines shall be made solely at the discretion of MCCD. MCCD in no way represents or warrants to any Applicant, investor, lender, or any other party that a proposed project is, in fact, feasible or viable.

MCCD reserves the right to place special conditions on projects.

MCCD reserves the right to modify or waive, on a case-by-case basis for good cause, any condition of these Guidelines that is not mandated by the 24 CFR Part 92.

MCCD reserves the right to exchange information with other state and federal allocating agencies and with other parties as deemed appropriate. By submitting an application for HOME funds, the Applicant is acknowledging and agreeing to this exchange of information.

If HOME funds are expended on a project that is terminated before completion, the expended funds must be repaid.

No executive, employee or agent of MCCD or any other official of Montgomery County shall be personally liable concerning any matters arising out of, or in relation to, the allocation of HOME funds or the approval or administration of these Guidelines.

G. DEFERRAL TO FEDERAL LAW

To the extent that anything contained in these Guidelines does not meet the minimum requirements of federal law or regulation, such law or regulation shall take precedence over these Guidelines.

III. GENERAL REQUIREMENTS

A. ELIGIBLE ACTIVITIES

HOME funds may be used to develop and support homeowner and rental opportunities. Regardless of the type of activity applied for, expenditures must begin within 12 months of contract, and all project funds must be expended within 48 months.

An Applicant may choose to apply for more than one activity; however, each activity must be able to stand on its own, and be associated with the same project. This means that all ranking criteria must be addressed for each activity.

At the discretion of MCCD and where allowable under federal law, eligible activities and their corresponding costs allowed under HOME may include:

Homebuyer Assistance:

- Costs related to assisting qualified homebuyers in purchasing a home, including those related to down payment and closing cost assistance.

Homeowner Rehabilitation:

- Costs related to the rehabilitation of owner-occupied housing including costs to make essential improvements including energy-related repairs or improvements, modifications necessary to permit use by persons with disabilities, the abatement of lead-based paint hazards, and to repair or replace major housing systems in danger of failure. Each house rehabilitated with HOME funds must be brought up to applicable property standards.

New Construction:

- Costs to construct either single-family or multi-family housing, including costs to meet the new construction standards in effect at the time a building permit is obtained from the locality.
- Costs for improvements to the project site that are comparable with the surrounding standard developments, and costs to make utility connections including off-site connections from the property line to the adjacent street. Site improvements may include sewer and water lines necessary to the development of the project. The project site is the property, owned by the project owner, upon which the project is located.

Tenant-Based Rental Assistance

- Costs to provide rental assistance and/or security deposits to families for a period not to exceed 24 months.

Acquisition

- Costs to acquire an existing multi- or single-family structure that may or may not require rehabilitation.
- Costs for acquisition of existing affordable housing in need of rehabilitation and requiring financial assistance to maintain the affordability of the project.
- Costs for acquisition of vacant land will be undertaken only in conjunction with a specific housing project intended to provide affordable housing under this

program and for which construction funds have been committed before the commitment of HOME funds to the acquisition. Land banking (purchase of land on speculation of construction) is not permitted.

B. INELIGIBLE ACTIVITIES

1. Tenant-based rental assistance for the special purposes of the existing Section 8 Program.
2. Non-federal matching contributions required under any other Federal program.
3. Assistance authorized under Section 9 of the 1937 Act (Public Housing Capital and Operating Funds) or activities authorized under 24 CFR Part 968 (Public Housing Modernization).
4. Assistance to eligible low-income housing under 24 CFR Part 248 (Prepayment of Low-Income Housing Mortgages).
5. Assistance to a project previously assisted with HOME funds during an existing affordability period.
6. Operating subsidies.
7. Project reserve account.
8. Assistance to ineligible properties such as commercial properties (to be used solely for commercial purposes), temporary shelters, emergency shelters, and student housing.
9. Acquisition of property owned by the Grantee, unless it is in anticipation of carrying out a HOME project by an eligible Applicant.
10. Emergency repair *program* costs.
11. Assistance to pay for any costs that are not eligible under project costs, administrative and planning costs, operating costs, and tenant-based rental assistance costs.
12. Monitoring, servicing, and origination fees for HOME-assisted projects.

C. PROJECT PERIOD OF AFFORDABILITY

Period of affordability refers to the length of time HOME assisted units must remain affordable. Deed restrictions or covenants running with the land (LURA) or other approved mechanisms will ensure the period of affordability, depending on the amount of HOME dollars invested per unit in the project. After the required affordability period, the property may be sold without HOME restrictions. The following table outlines the minimum affordability periods:

HOME Investment per Unit	Length of Affordability Period
Less than \$15,000	5 Years
\$15,000 - \$40,000	10 Years
More than \$40,000	15 Years
New construction of <i>rental</i> housing	20 Years
Refinancing of <i>rental</i> housing	15 Years

Owner-occupied rehabilitation projects: Since the intent of the program is to create affordable housing units, MCCD requires a five-year period of affordability for owner-occupied rehabilitation projects. Such a requirement serves to protect the County's HOME investment and discourage "fix and sell" opportunists.

Multi-family projects: During the period of affordability, the property owner must re-verify tenant income at least annually through an approved verification method. Additionally, a certain number of units must be inspected periodically to ensure the units are decent, safe, and sanitary. Housing must be maintained in compliance with applicable State or local housing quality standards. If there are no such standards, the housing must meet the housing quality standards in 24 CFR 982.401 (HQS), attached as Exhibit 4 to this document. Subrecipients are responsible for timely inspection and remediation of noncompliance, and must forward the annual inspection reports to MCCD. In addition, HOME program staff will perform random on-site inspections throughout the period of affordability. The frequency of on-site inspections depends upon the total number of project units (not just the total number of HOME units within the project):

- one to four units, every three years;
- five to twenty-five units, every two years;
- 26 or more units, annually.

D. MINIMUM AMOUNT OF ASSISTANCE

The minimum amount of HOME funds invested in any project is \$1,000 for each HOME-assisted unit in the project.

E. SUBSIDY LAYERING GUIDELINES

For those projects which combine HOME and other government subsidies, MCCD must perform a subsidy layering review to ensure that government subsidy is not excessive in accordance with HUD CPD Notice 98-01, dated January 22, 1998. A copy of this notice is attached at the end of these guidelines, as Exhibit 2.

F. TENANT RELOCATION AND DISPLACEMENT

MCCD will not allow permanent displacement of current residents of any project funded with HOME funds. All residential tenants in place prior to the submission of an application through the completion of the proposed construction and issuance of the certificate of occupancy are candidates for assistance under this provision, found in 24 CFR 92.353. If there are existing residents who are not eligible for the program, the owner may request HOME assistance for vacant units or those occupied by eligible tenants only. Owners of developments with tenants in place prior to submission of the application **MUST** comply with Federal Relocation Requirements found in 24 CFR 92.353.

Applicants are encouraged to notify MCCD before proceeding with an application to ensure that proper procedures are followed. Improper procedures may substantially increase the costs to the project or render the project infeasible. The project owner will pay relocation payments and other relocation assistance, including replacement-housing costs, moving expenses, and reasonable out-of-pocket costs incurred in the relocation of persons.

G. MATCH

HOME Program subrecipients must contribute to qualified housing in an amount equal to at least twenty five percent (25%) of HOME project funds. These contributions are referred to as match.

A match amount equaling twenty five percent of project funds is a minimum threshold requirement. During the ranking process, an Applicant's proposed match will be compared to other applications submitted. Before submitting an application, an Applicant MUST consult with HOME Program staff at (936) 538-8060 to determine if its proposed match source is eligible and request, in writing, a letter (or e-mail) from MCCD confirming match eligibility. The written request for confirmation must include the specific dollar amounts for all proposed sources of match, and the amount of HOME funds to be requested. The Applicant must submit the confirmation letter from MCCD in its grant application. Applicants must clearly document proposed matching contributions or HOME will not consider the grant application for ranking.

To be considered eligible match, a contribution must be made from nonfederal sources and must be made to housing that is assisted with HOME funds. Refer to Matching Contribution Requirements, found in Exhibit 3.

H. CONSOLIDATED PLAN

HOME Program participants must submit proposals that are consistent with the Montgomery County Consolidated Plan. Before submitting an application, an Applicant MUST consult with the director of Community Development at (936) 538-8060 to determine if the proposed project is consistent with the Consolidated Plan. The Applicant must request, in writing on the Applicant's letterhead, a Certificate of Consistency with the Consolidated Plan. The Applicant must submit a copy of the MCCD Certificate of Consistency in its application. Requests for a Certificate of Consistency should be made at least one week in advance of the application due date.

I. CITIZEN PARTICIPATION

MCCD is required to provide citizens adequate notice and opportunity for involvement in the planning and development of HOME projects. MCCD will:

- Hold a minimum of one public hearing or meeting within two months before selection of an application. The purpose of the public hearing or meeting is to solicit public comment on community housing needs and priorities and to discuss the HOME program as a potential source of funding. MCCD will give due consideration to all comments before funding projects.
- Submit to HUD a record of any public hearings or meetings and copies of the public notices for the hearings or affidavits of publication for the notices, held in relation to the application for HOME funds. The names of persons who attended and a summary of comments by local officials and citizens will be included.

Formal public notice will be provided before public hearings are held. Advertisement for public hearing will be published three times in the newspaper with the widest local readership, in a Spanish language newspaper, and posted at the county Courthouse and in community centers throughout Montgomery County. Hearings will be held at times and

locations convenient to potential beneficiaries and in a facility that is physically accessible for persons with disabilities.

J. MARKET ANALYSIS

Applicants must document the need and potential market for any proposed rental project. Applicants may use information provided in the most recent Market Analysis conducted by MCCD (included in the current 5-Year Consolidated Plan) but are strongly encouraged to conduct their own market analysis prior to undertaking a homebuyer assistance or homeowner rehabilitation program. Differing levels of analysis are required to determine the need and market for any given project depending on the type and complexity of that project. As with any investor, the higher the risk involved with a project, the more analysis the HOME Program will require with an application. This suggests that there is a spectrum of analysis ranging from a formal market study for newly constructed multi-family rental housing to minimal market analysis for tenant-based rental assistance.

At the base of any market analysis is a housing needs assessment, which is often a survey done as part of a broader community needs assessment. The results of a housing needs assessment should be analyzed for direction, rather than just tabulated for reporting. This analysis should identify a list of housing needs with a corresponding list of opportunities for meeting those needs.

After the list of needs and opportunities is identified, the Applicant must analyze the market to identify a specific potentially feasible project and provide a greater level of detail about that project's market potential. The Applicant should identify the specific demand for a project in terms of who would want to participate in the proposed project, and who would have the capacity and qualifications to do so.

A market analysis will answer a variety of questions and document the market for a specific project. The Market Analysis may be in any format the Applicant desires, but should include the following components:

1. Must be specific to the neighborhood market from which prospective clients will be drawn (not general to a region or state)
2. Must demonstrate need and consistency with priorities of the Consolidated Plan
3. Show housing demand, demographic trends, housing supply, construction trends, and vacancy rates
4. In the case of homebuyer units, demonstrate that the units can be sold within 6 months of construction.
5. In the case of rental units, demonstrate that the units can be leased up within 18 months of construction.
6. Analysis of impact on existing affordable housing developments.

K. ENVIRONMENTAL REVIEW

The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58 and any applicable State regulations. Applicants must include a

narrative demonstrating an initial, informal evaluation of environmental circumstances that may affect the proposed project and to raise awareness of possible problems. MCCD will conduct the official Environmental Review if the project is selected for funding.

1. LEAD-BASED PAINT (LBP)

Housing that is built prior to January 1, 1978 and is assisted with HOME funds constitutes HUD-associated housing for the purpose of the Lead-Based Paint Poisoning Prevention Act and is subject to 24 CFR part 35. Unless otherwise provided, subrecipients are responsible for inspection, testing, interim controls or abatement, and clearance activities. MCCD will assist with this process.

LBP regulations do not apply to:

- housing built after January 1, 1978;
- property that has had all LBP removed and/or has been found to be free of LBP by a certified LBP inspector;
- housing designated (in the lease or residency agreement) as exclusively for the elderly or persons with disabilities, unless a child under 6 years of age resides or is expected to reside in the unit. This exemption does not include owner-occupied single-family housing; *and*
- any zero-bedroom dwelling, including efficiency apartments and single-room occupancy housing.

The lead hazard regulations are particularly pertinent for projects conducting rehabilitation, acquisition, and/or TBRA. Required lead hazard reduction activities are based on the HOME investment per unit, excluding the cost to address any LBP hazard. Refer to Exhibit 6 for details regarding the process for complying with LBP regulations.

Tenant Based Rental Assistance (TBRA) projects have specific requirements for assistance to families or households that have one or more children under the age of six. These requirements are:

- Notification,
- Lead hazard evaluation,
- Lead hazard reduction,
- Ongoing maintenance, *and*
- Responding to children with environmental intervention blood lead levels. Refer to Exhibit 7 for details regarding the process for complying with LBP regulations relative to TBRA programs.

Applicants applying for HOME funds to implement homeowner rehabilitation, homebuyer assistance or a tenant-based rental assistance program must demonstrate an understanding of LBP regulations and have a process in place to provide satisfactory compliance with the LBP regulations. The HOME program will thoroughly review the Applicant's written policies and guidelines in its management plan, and assess its ability to provide the necessary personnel and the qualified contractors. Applications for programs that require LBP policies will not be funded unless detailed policies are provided in the application.

For housing that has been kept in good repair and, upon a visual assessment, does not have deteriorated paint (cracking, scaling, chipping or peeling), LBP is not considered a hazard, unless surfaces will be disturbed during rehabilitation activities. A visual assessment certification is obtained by completing the HUD certified on-line training at:

<http://www.hud.gov/offices/lead/training/visualassessment/h00100.htm>

M. CONTRACT OPPORTUNITIES TO MINORITY AND WOMEN-OWNED BUSINESSES

Affirmative steps will be taken to assure that minority and women-owned businesses are used, when possible, as sources of supplies, equipment, construction, and services. An Applicant's Management Plan should contain a plan to take such affirmative steps, including but not limited to: providing outreach to prospective homebuyers/tenants who are minorities or underserved populations. MCCD will take affirmative steps including but not limited to: advertising for bid on supplies, equipment and services in publications of general circulation, identifying local minority and women-owned businesses and sending bid packets to them, and encouraging minority and women-owned businesses to apply in the language of the bid announcements.

N. CHDO DEVELOPMENT FEE

MCCD certifies CHDOs to own, sponsor, and develop affordable housing. The development fee aids the nonprofit in its ability to grow and develop affordable housing and help continue the organization's operating capacity.

Certified CHDOs, applying for a CHDO-eligible activity, may receive a development fee in addition to applicable soft costs. The maximum development fee allowable is equal to 10 percent of the HOME project funds being requested. The development fee is incorporated into the total HOME cost for a project and the funds are associated with the current project address(s). MCCD will not use a development fee in the provision of in-house HOME-funded services.

HOME funds will not duplicate or supplement other sources of funding. Projects receiving Low Income Housing Tax Credit (LIHTC) proceeds or other funds that already have access to a developer fee may not include a HOME-funded development fee as part of the HOME-eligible project costs.

Development fees will assist the CHDO by providing seed money to help develop a new CHDO-eligible HOME project. The development fee will not supplement the current project, as CHDOs will receive the development fee upon completion of the current project.

NOTE: CHDOs will receive the development fee once to help grow and develop affordable housing in their jurisdictional area. Future development fees are contingent upon the CHDO submitting another fundable application to the HOME program within three years.

O. PROGRAM INCOME AND CHDO PROCEEDS

Program Income is any repayment, interest earned and return on any investment of HOME funds during the applicable period of affordability. CHDO Proceeds are funds generated from CHDO-eligible activities. Once CHDO proceeds have been reported and used once on HOME-eligible activities, there are no further HOME requirements. Generally, MCCD allows Program Income to be retained by the CHDO or HOME subrecipient.

P. CONFLICT OF INTEREST REQUIREMENTS

Participants in a HOME project may have possible conflicts of interest, either individually or in connection with a family member or relative, that precludes them from participating in the program. HUD may grant an exception on a case-by-case basis.

Only MCCD may request an exception to a conflict of interest of HUD, and only after complete disclosure of the nature of the conflict at an advertised public hearing held for that purpose. The County Attorney's Office must issue an opinion that the interest for which the exception is sought does not violate federal, state, or local law. HUD will then review the information concerning disclosure, public hearing, and attorney's opinion.

MCCD reserves the right not to request exceptions from HUD when deemed not in the best interests of the Department or County.

IV. PROGRAMS

A. RENTAL HOUSING

1. HOME Rents

Every HOME-assisted rental unit is subject to rent limitations designed to ensure that rents remain affordable to low- and very low-income tenants. These maximum rents are referred to as HOME Rents and are provided by HUD per 24 CFR Part 92.252. There are two HOME Rents established for projects: High HOME Rents and Low HOME Rents.

In rental projects with five or more HOME-assisted units, very low-income families must occupy twenty (20) percent of the HOME-assisted units and pay low HOME rents, as defined below.

Refer to the following for current HUD HOME Program Rents:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/index.cfm>

The HOME rent limits provided by HUD include average utility allowances. HUD updates these limits annually in February or early March.

a. High HOME Rent

The maximum HOME rents are the lesser of:

- 1) The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or

2) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit.

b. Low HOME Rent

Low HOME rents meet one of the following rent requirements:

- 1) The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the area median income, as determined by HUD, with adjustments for family size. HUD provides the HOME rent limits, which include average occupancy per unit and adjusted income assumptions.
- 2) The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Regardless of these rent maximums, consideration must be given to keeping the established rents at or below the actual market rent in the community of the proposed property to ensure marketability.

c. Utility allowances

HOME rents include utility allowances. The HOME Program utilizes Section 8 utility allowances. For all units subject to the maximum rent limitations in paragraphs (a) and (b), of this section for which the tenant is paying utilities and services, the Applicant must ensure that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services.

d. Rent Adjustments

MCCD will review any increase in rents to HOME-assisted units. The owner MUST have received MCCD approval and provide a 30-day written notice to tenants prior to any increase in rents. If the published HOME rent decreases for projects for which HOME funds have been previously committed, an owner may continue to use the rents in effect at the time of project commitment.

2. Occupancy Requirements

a. At initial occupancy, rental housing will qualify as affordable only if the project meets the following occupancy standards:

- 1) Households with annual incomes that are 50 percent or less of Area Median Income (AMI) must occupy at least 20 percent of the HOME-assisted rental units. Rents for these units must not exceed the Low HOME Rents as described in the previous section.
- 2) Households with annual incomes that are 60 percent or less of AMI must occupy at least an additional 70 percent of the HOME-assisted rental units. Rents for these units must not exceed the High HOME Rents as described in the previous section.

3) Households with annual incomes that are 80 percent or less of AMI must occupy the remaining 10 percent of the HOME-assisted rental units. Rents for these units also must not exceed the High HOME Rents as described in the previous section.

b. Subsequent occupancy of rental housing, for the duration of the period of affordability, must meet the following occupancy standard to qualify as affordable:

- 1) Households with annual incomes that are 50 percent or less of AMI with unit rents at or below the Low HOME Rent must continue to occupy at least 20 percent of the HOME-assisted rental units.
- 2) Households with annual incomes that are 80 percent or less of AMI with unit rents at or below the High HOME Rent must occupy the remaining 80 percent of the HOME-assisted rental units.

A project that includes fewer than five HOME-assisted units is exempt from the 20 percent occupancy requirement both at initial and subsequent occupancy.

Current HUD HOME Income Limits are available at:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/index.cfm>

3. "Mixed Income" Project

HOME projects may have tenants with incomes above the area median income and low-income tenants living in the same building. A "mixed income" project refers to a housing project containing less than 100 percent of the units qualifying as affordable housing. All HOME funds used in conjunction with a mixed income project must be used solely for the benefit of the affordable units in the project. Any HOME-assisted units must meet the occupancy requirements and rent limitations identified in this section.

For purposes of meeting affordable housing requirements for a project, the dwelling units specified as affordable housing may be changed over the affordability period, so long as the total number of affordable housing units remains the same, and the substituted units are, at a minimum, comparable in terms of size, features, and number of bedrooms to the originally designated affordable housing units.

Common area costs will be prorated based upon the number of affordable units and market rate units.

4. "Mixed Use" Project

The term "mixed use" refers to housing in a project that is designed in part for uses other than residential. A building that is designed in part for other than residential housing may qualify as affordable housing under the HOME Program if such housing meets the rent limitations identified in this section. The laundry and/or community facilities that a project contains for the exclusive use of the project residents and their guests are considered residential use. Costs for common areas shared by both residential and commercial tenants shall be prorated.

5. Maximum Per Unit Subsidy Amount

The amount of HOME funds that may be invested in an affordable housing development are regulated under 24 CFR Part 92.250. HOME funds may not exceed the per unit dollar limits established by HUD under 221(d)(3) subsidy limits. The published HOME subsidy limits are considered limits and not targets or average costs. Current MCHD HOME project comparables will continue to be the driving factor in approving project costs.

In no event may the maximum subsidy exceed the actual development cost of the HOME-assisted units based upon their proportionate share of the total development cost. Common area rehabilitation costs may be covered in the same proportion or percentage as HOME-assisted units in the project. For example, if five out of ten units in the structure(s) are HOME-assisted, HOME funds may be used to cover one-half the common area rehabilitation costs.

6. Special Needs Housing: Group Homes and Single-Room Occupancy (SRO) Units
Permanent housing for disabled homeless persons, group or transitional housing and single-room occupancy housing are eligible project activities. Applicants may choose to consider the housing unit as a single unit for HOME assistance purposes or, depending upon their size, choose to classify them as single-room occupancy (SRO) units. The maximum HOME subsidy amount will differ according to whether the housing unit is classified as a group home or an SRO.

A group home is housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the units and separate private space for each family, except in the case of shared one-bedroom units. It also includes group homes for elderly or disabled persons. These structures are usually large single-family units.

A group home is considered by HUD to be a one-unit project. A one-unit project consists of separate bedrooms and shared kitchen, dining, sanitary and/or other common area facilities. All occupants of single-unit HOME-assisted projects, except supportive service providers, must be low-income. Bedrooms occupied by resident supportive service providers are counted as eligible bedrooms for subsidy purposes. The entire project is considered a single-unit for determination of the maximum HOME subsidy limit. The subsidy limit is based on the number of bedrooms in the unit.

An SRO is considered by HUD to be a multiple-unit project. Single-room occupancy is housing consisting of multiple single-room dwelling units that are the primary residence of the occupant or occupants. If the project consists of new construction, conversion of non-residential space, or reconstruction, each unit must contain either food preparation or sanitary facilities, or both.

For acquisition or rehabilitation of an existing residential structure, neither food preparation nor sanitary facilities are required to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by tenants. SROs do not include facilities for students. All occupants of HOME-assisted units must be low-income. The subsidy limit is based on the zero-bedroom subsidy amount times the number of units. See Exhibit 8 for a summary of the differences between SROs and group homes.

Maximum per unit subsidies vary each year. Contact MCCD for information regarding the subsidy caps in place for the year of application.

Applicants may wish to meet the standards for an SRO project by installing either or both sanitary or food preparation facilities. Doing this would create individual units, thereby increasing the number of units that may be assisted with HOME funds.

7. Tenant Certifications and Recertifications

Tenant eligibility shall be determined by the owner at the time of occupancy and shall be reexamined at least annually.

8. Tenant Income Increases (Not applicable for combined HOME/Low-Income Housing Tax Credit Properties)

Tenants who no longer qualify under the HOME income restrictions MUST pay for rent not less than 30 percent of the family's adjusted monthly income, as re-certified annually, and the unit must be marketed to HOME-eligible families when vacated.

9. Tenant Protections

a. Lease. The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than ONE year, unless by mutual agreement between the tenant and owner.

b. Prohibited Lease Terms. A list of prohibited lease terms is found in Exhibit 9.

c. Termination of Tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

d. Maintenance and Replacement. An owner must maintain the total development in compliance with all applicable housing quality standards and local code requirements.

e. Tenant Selection. An owner of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria. A list of the minimum criteria is found in Exhibit 10. Owners may not refuse to lease a HOME-assisted unit to a family because it holds a HUD Section 8 Housing Choice Voucher.

B. HOMEOWNERSHIP

1. Qualifications

The homeowner/homebuyer must have an annual income that does not exceed 80 percent of the area median income and must utilize the HOME-assisted residence as its principal residence.

For homebuyer assistance, the purchase price of the property cannot exceed the FHA 203(b) mortgage limits. For homeowner rehabilitation, the after-rehabilitation value cannot exceed the FHA 203(b) mortgage limits.

2. Recapture/Resale Restrictions

Homebuyers assisted under HOME will be subject to either recapture or resale guidelines as specified by 24 CFR 92.254. (Note: Applicants may not choose to do both.)

Recapture:

A homeowner whose subsidy is subject to recapture is required to repay all or a portion of the HOME subsidy if the property is sold or transferred during the affordability period. The seller is allowed to sell the home to any willing buyer at any price as long as the HOME debt remaining on the property is repaid. If the sale of a HOME-assisted house during the affordability period results in repayment of the HOME subsidy and/or a share of the increased equity, MCCD will consider the proceeds as program income for any HOME-eligible. Up to 10 percent of the program income can be used for soft costs.

Resale:

The objective of the resale option is to continue the affordability of a property in the event of sale of the property. The Subrecipient must ensure that the terms of resale are both affordable to the new buyer and fair to the seller. Finding this balance may be complicated by fluctuations in price, interest rates, and availability in uncertain housing markets. In a typical program using this option, the seller is obligated to find an income-eligible buyer who can afford the sales price.

If HOME assistance provides only development subsidy (construction, infrastructure, land acquisition, etc.), the resale option must be used because construction and development subsidy is not subject to recapture.

Equity Sharing:

Subrecipients must consider how the appreciated value of a home would be dispersed between the Subrecipient and the homeowner at the time of sale. An equity sharing policy must be included with an Applicant's recapture or resale policy. In the event funds are recaptured from a house rehabilitated or reconstructed in-house by MCCD in collaboration with other agencies, MCCD retains program income.

Foreclosure:

MCCD's recapture policy is based on net proceeds available from the sale of a home. Such a policy allows MCCD to collect as much of its HOME investment from the homebuyer, while preventing repayment of its HOME investment to the US Treasury.

C. MANUFACTURED HOUSING (EXCLUDING MODULAR HOUSING)

HUD has a specific definition for manufactured homes as well as specific requirements in order to be eligible for assistance with HOME funds. Frequent problems have arisen when attempts have been made to rehabilitate manufactured homes. Because of this, Montgomery County Community Development has elected not to allow HOME funds to be used to purchase a manufactured housing unit except in cases of destruction due to natural or man-made disaster.

D. TENANT-BASED RENTAL ASSISTANCE (TBRA)

TBRA is a rental subsidy program used to help an eligible tenant with rent costs and security deposits. TBRA payments make up the difference between the amount the family can afford to pay for housing costs (30 percent of adjusted annual income) and the rent standard of the housing selected by the family. The subsidy payment contract with

the tenant cannot exceed 24 months. Prospective tenants must be notified that the TBRA assistance is temporary, not permanent in nature.

Because TBRA is a two-year program, it should be viewed as a short-term solution to a community's housing needs. Applicants must demonstrate how a TBRA program would be used to initially resolve a need and how the agency plans to address that need through more permanent means.

The LBP requirements found in Exhibit 7 apply solely to Applicants proposing tenant-based rental assistance.

HOME rental assistance must be tenant-based, not project-based. Tenants must be free to use their assistance in any eligible unit within Montgomery County. Furthermore, subrecipients may not target their TBRA program to assist residents of specific projects.

Security deposit assistance cannot exceed the equivalent of two months rent for the unit and may be in the form of a grant or loan to the tenant. If security deposit assistance is repaid to the program, those repayments are considered program income.

The subrecipient must establish a minimum tenant contribution to housing cost of not less than \$25 per month.

HOME TBRA assistance cannot be used for:

- assisting resident owners of cooperative housing;
- preventing the displacement of tenants from projects assisted with Rental Rehabilitation Program funds;
- providing vouchers to homeless persons for overnight or temporary shelter;
- or*
- duplicating existing rental assistance programs.

V. APPLICATION PROCESS

Applicants must use the Uniform Application and these HOME Program Application Guidelines to request funding for qualified projects. Applicants who do not meet minimum threshold requirements identified in Section VI, Ranking Criteria will not be ranked or considered for funding.

Funds expended prior to grant award are not reimbursable. Reimbursement of funds expended after grant award but prior to the release of funds is contingent on completion of an executed HOME Contract, an approved Environmental Review Record, and a firm commitment of all funds. If a HOME Contract is not executed or a Subrecipient is unable to comply with the terms and conditions of the agreement, any costs incurred will be the responsibility of the Applicant.

A. ORDER OF APPLICATION

Applications are competitively ranked. Supporting documentation for the ranking criteria and other sections of the application must be included. Each Applicant must submit an original and one copy of the application to the HOME Program. It is not necessary to duplicate an exhibit if it is needed for more than one section of the application.

A copy of the checklist for the application is attached at Exhibit 3.

B. EVALUATION

Applications are reviewed and scored by a citizens' Advisory Committee. These citizen representatives preside over public hearings, then meet to review and discuss a) information obtained in the public hearings, b) information obtained by other survey methods, and c) applications for funding. Committee members score and prioritize applications according to the established priorities of the Community Development Department, and make recommendations for funding as a group to the Director.

To serve on this Committee, a member must be a resident of Montgomery County at least eighteen (18) years of age, have transportation and an ability to attend meetings and public hearings, and the ability to read and write in English.

Each Precinct Commissioner appoints one to two representatives of his precinct and the County Judge selects one to three at-large representatives to serve as a Citizens Advisory Committee for Community Development. Appointees serve at the pleasure of their Commissioners for five year terms, renewable without term limits.

In evaluating applications, MCCD will rank each application based on its own merits in comparison to those submitted by other HOME Applicants. After reviewing each application, the Advisory Committee will evaluate the degree to which each proposed program responds to applicable criteria. In cases where a house will be rehabilitated or constructed in collaboration with other agencies, the applicant is an individual rather than an agency, and must meet all eligibility requirements for all funding sources contributed to the project. In these cases, the Advisory Committee will consist of representatives from each participant in the collaboration.

After submission of an application, Applicants are expected to keep MCCD informed of any developments that could affect the viability of the proposed project. MCCD may contact the Applicant to clarify issues, or to verify information contained in the application. A failure to respond to any criterion will result in no points being awarded for that criterion.

C. DETERMINATION OF HOME AWARD

HOME funds are intended to be used as gap financing. The difference between total project costs and total available financing resources (including owner equity requirements) is referred to as the "gap." A typical HOME financing project includes owner equity; conventional and/or other financing; CDBG and/or other grants; other local public and private sources of funding; and HOME funds to fill the gap. Based on the combination of funding and anticipated project costs, an analysis to determine the necessary amount of HOME funds will be done at the time of application.

MOCD will not process any application that is not financially feasible.

Ranking will be completed and staff and Advisory Committee recommendations provided for consideration on the agenda for Commissioner's Court approval. All Applicants will be notified, in writing, whether or not their applications have been selected for funding. Funding decisions are final. There is no appeal process. The HOME Program will not negotiate with any Applicant for an award of funds.

In cases where the Community Development Department directly applies HOME funds to rehabilitation or reconstruction projects on an individual basis, selection and approval will use the same priorities and eligibility criteria, but need not assess management criteria or be approved in Commissioner's Court.

VI. RANKING CRITERIA

A copy of the score sheet used to rank projects is attached at Exhibit 4.

MONTGOMERY COUNTY CHDO CERTIFICATION FORM

CHDO Staff Experience & Organizational Capacity Checklist - Fiscal Year 2013 CHDO Funding				
Checklist Section	Section	Item	Yes	No
CHDO Staff Experience	1	CHDO has a minimum of 10 years experience in the field		
		CHDO has a minimum of 5 years experience in the field		
		CHDO has a minimum of 3 years experience in the field		
		CHDO has a minimum of 1 year experience in the field		
		CHDO has a minimum of 6 months experience in the field		
		CHDO has a minimum of 3 months experience in the field		
		CHDO has a minimum of 1 month experience in the field		
		CHDO has a minimum of 1 week experience in the field		
		CHDO has a minimum of 1 day experience in the field		
		CHDO has a minimum of 1 hour experience in the field		
		CHDO has a minimum of 1 minute experience in the field		
		CHDO has a minimum of 1 second experience in the field		
		CHDO has a minimum of 1 millisecond experience in the field		
		CHDO has a minimum of 1 microsecond experience in the field		
		CHDO Organizational Capacity	2	CHDO has a minimum of 10 years experience in the field
CHDO has a minimum of 5 years experience in the field				
CHDO has a minimum of 3 years experience in the field				
CHDO has a minimum of 1 year experience in the field				
CHDO has a minimum of 6 months experience in the field				
CHDO has a minimum of 3 months experience in the field				
CHDO has a minimum of 1 month experience in the field				
CHDO has a minimum of 1 week experience in the field				
CHDO has a minimum of 1 day experience in the field				
CHDO has a minimum of 1 hour experience in the field				
CHDO has a minimum of 1 minute experience in the field				
CHDO has a minimum of 1 second experience in the field				
CHDO has a minimum of 1 millisecond experience in the field				
CHDO has a minimum of 1 microsecond experience in the field				

U.S. Department of Housing and Urban Development
Community Planning and Development

Standard Attention of:

Notice: CPD 98-1

All Secretary's Representatives

All State/Area Coordinators

CPD Division Directors

All HOME Participating Jurisdictions

All HOME Coordinators

Issued: January 22, 1998

Expires: January 22, 1999

Cross Reference: 24 CFR, Part 92

Supersedes CPD Notice 94-24

Subject: Layering Guidance for HOME Participating Jurisdictions When
Combining HOME Funds with Other Governmental Subsidies

I. PURPOSE

The purpose of this Notice is to provide guidance to participating jurisdictions (PJ) in their development of local guidelines to evaluate projects using HOME funds in combination with other governmental assistance to ensure that no more than the necessary amount of HOME (or other funds) are invested in any one project to provide affordable housing.

II. BACKGROUND

Both Section 112(f) of the Cranston-Downs National Affordable Housing Act, as amended, and 24 CFR Part 92, the consolidation plan final rule, require a PJ to provide a certification with the consolidated plan. This certification asserts that prior to the commitment of funds to a project, the PJ will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other governmental assistance than is necessary to provide affordable housing.

In developing these guidelines, CPD relied heavily on the experience of HUD and State loan/capital allocation agencies, as well as the private sector experienced in evaluating housing project financing. This notice is designed to offer the expert advice and advice of those who have completed project layering calculations.

CPD-98 Distribution: N 981

EXHIBIT 1

If a PJ uses these guidelines, or relies upon subsidy layering evaluations produced by HUD or State tax credit allocation agencies, as described below, HUD will consider the PJ to be in compliance with the statutory requirement. A PJ may, of course, develop its own guidelines for conducting subsidy layering evaluations. In this case it should ensure that its review process is consistent with the advice in this Notice.

III. DEFINITIONS

Governmental Assistance - Governmental assistance includes any loan, grant, (including Community Development Block Grant), guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal, State or local government for use in, or in connection with, a specific housing project.

Maximum Per Unit Subsidy Limit - The amount of HOME funds that a PJ may invest on a per-unit basis in affordable housing may not exceed the per unit dollar limits established under section 221(d)(3) of the National Housing Act for eleven-type projects, involving nonprofit mortgagees that apply to the area in which the housing is located. These limits are available from the Multifamily Housing Division in the HUD Field Office. If the participating jurisdiction's per unit subsidy amount has already been increased to 210% as permitted under section 221(d)(3)(ii) of the National Housing Act, upon request to the Field Office, HUD will allow the PJ's per unit subsidy amount to be increased on a project-wide basis to an amount up to 240% of the original per unit limits.

IV. USE OF THE GUIDELINES

Based on the certification contained in the annual submission of the consolidated plan and the subsidy layering provisions of §92.220(a) of the HOME final rule, a PJ must use the guidelines it has adopted to document that when HOME funds are used in combination with other governmental assistance, no more subsidy is increased than is necessary. The project file should contain the required evaluation. For example, if a project is using HOME funds in combination with local tax increment financing, the PJ would use the guidelines, evaluate the project, and document the evaluation.

While the evaluation requirement is predicated on the combination of HOME funds with other governmental assistance, if a PJ is required under the guidance in this notice should not be used when determining the level of HOME funds to be used in connection with other governmental assistance. Therefore, the need to be updated at additional points of time and originally approved plans are added to the project. The initial annual report design is the sole responsibility of the PJ.

However, the PJ may rely upon the guidelines developed and evaluation conducted by other agencies when the following governmental assistance is being used:

Low-Income Housing Tax Credits (LIHTC)

The FJ may rely upon the State tax credit allocating agency's evaluation (which is conducted to determine whether there are income tax credits) to ensure that HUD subsidies are not greater than necessary to provide affordable housing when combining HOME assistance with the tax credits. Such State agencies have typically established project guidelines (based on project size, character, size, location and risk factors) that determine appropriate project costs and developer fees. An acceptable State agency certification is done pursuant to either applicable HUD regulations or the Internal Revenue Code.

In 1993, the National Council of State Housing Agencies (NCSHA) adopted a set of standards for use by State agencies that administer the LIHTC. The standards cover the specific areas related to the administration of LIHTC programs, including per unit cost, developer fees, consultant fees, verification of expenditures, compliance monitoring and exit proceeds from new units. Participating jurisdictions may find these standards useful in conducting subsidy layering reviews of HOME projects, regardless of whether LIHTCs are used. The standards can be obtained from the NCSHA.

Other HUD Program Funding

The FJ may rely upon HUD's evaluation (conducted in accordance with Section 109(d) of the HUD Reform Act) for projects funded by HUD's Office of Housing (for example, the Mortgage Insurance) and Office of Public and Indian Housing and other HUD offices which are required to provide this kind of evaluation. A HUD review is required in those cases because the Department is directly making funds available for these projects. This is not the case for the HOME program where the FJ acts as a formula-based allocation and subsequently selects and underwrites HOME projects.

PROJECT EVALUATION

Before a FJ invests HOME funds in a project, it must assess to what extent governmental assistance has been, or is expected to be, made available to that project.

In performing this evaluation, the FJ should consider the appropriate amount of assistance from HUD and from other sources that is needed, or even the feasibility of the scale of project. The FJ should take into account all the factors relevant to sustainability, which may include, but are not limited to, cost/units or returns (in that case for that type of project), owners, sponsors, investors, the long term needs of the project and its tenants, and the usual and customary flow of the development or the project.

In addition, the FJ should consider and report on when a rating review when conducting a layering review. The frequency of the required reporting will be based on the nature of the area, and the quality of the local government's ability to manage the project.

is very low-income, e.g., below 30 percent of area median income; that will result in an increased level of HOME or other assistance.

Sources & Uses of the Funds Statement

As part of the application process, the PJ should have the applicant submit a Sources/Uses of Funds statement for the project. The Sources/Uses of Funds statement should reflect the project development budget and should include:

- (1) all proposed sources (both private and public) of funds and the dollar amount(s) for each respective source; and
- (2) all uses of funds (including acquisition costs, rehabilitation or construction costs, financing costs and professional fees) associated with the project.

The PJ should identify the types of documentation necessary to verify the sources and uses of funds indicated in the statement. The listing of documentation should be provided to the applicant so that the documentation may be submitted along with the Sources/Uses of Funds statement in the Application for HOME for II.

Sources of Funds: The PJ should request the following: (1) commitment letters with all terms and conditions for all mortgages, grants, subordination agreements, bridge financing loans and investment tax credits (individual, low-income, if applicable); and (2) if the applicant is a partnership, a copy of the partnership agreement, which will indicate the total contributions by the general partner(s) and/or limited partner(s).

Uses of Funds: The PJ should request the following: (1) earnest money agreement, option or closing statement for land and/or building(s); (2) construction cost estimate; (3) construction contract or preliminary bid(s); (4) agreements guaranteeing the various sources which are capitalized as closing costs by the time reserves cannot be withdrawn later as fees and commissions; (5) appraisal and substantiate the value of the land and the value of the property after rehabilitation if the structure being built; and (6) if low-income housing tax credits are utilized, documentation of the syndication agent's legal opinion, tax opinion, and a list and representation/individual who will syndicate and sell the offering to ensure that the project can support the fees necessary to syndicate/fund the project. All assumptions in the offering should be verified in the supporting documentation.

The applicant should also provide supporting documentation for all other items as specified in the Sources/Uses of Funds statement. If the documentation is not adequate and does not support the costs as stated, the PJ should request additional documentation, a second opinion and/or referred from the appropriate source (i.e., architect, construction cost estimate, etc.) and/or a lawyer to review the project's HOME funding.

It should be noted that for projects with tax credits to be sold, the proceeds from the sale of these credits must be identified as a source of funding.

KEY EVALUATION POINT

Certification on Federal Assistance

The PJ should obtain a formal certification from the applicant(s) concerning the governmental assistance provided or to be provided to a project. If no such governmental assistance is to be provided at the time of the application or in the future, the applicant(s) should certify to that fact. The applicant(s) should also certify that should other governmental assistance be sought in the future, the PJ will be notified promptly. These assurances may take the form of a certification.

Review of the Project Development Budget

The PJ should review the project development budget to determine whether the development costs are necessary and reasonable, taking into consideration the long-term needs of the project as well as the objectives of the RCM Program and the PJ.

As in the Sources Uses of Funds statement, the budget should include all costs associated with the development of the project, regardless of the funding sources. The budget line items may include, but should not be limited to: construction, "hard" costs, soft costs (architectural, engineering, legal and appraisal fees), marketing costs, construction loan interest, developer fees, real estate taxes, insurance, all fees, building permits, relocation and consultant fees. The project development budget should reflect the total costs as in the "uses" section of the Sources and Uses of Funds statement.

The PJ should also review to ensure that the costs being "loaded" by the RCM Program are eligible and the RCM funds per unit do not exceed the maximum per-unit subsidy limits.

The PJ's language guidelines should focus on the project's quality and construction costs, architecture and engineering fees and marketing fees. The PJ should determine what costs are necessary depending on the type of development activity (new construction, rehabilitation, occupied vs. unoccupied). The determination of "reasonableness" of all costs should be based on all of the following factors: (1) costs of comparable projects in the same geographical area; (2) the quality of work; and (3) the costs estimates for the various budget line items and "P" comparable costs published by sources of industry cost index data.

KEY EVALUATION POINT

Rate of Return on Equity Investment

The PJ should require the applicant to develop a proforma (percent income and expense statement) which should include achievable rent levels, market vacancies and operating expenses and also specify the consequences of tax benefits, if any, and any other assumptions used in calculating the project cash flow to determine the reasonableness of the rate of return on the equity investment. The proforma should represent, at a minimum, the term of the HOME Affordability requirements, but longer if applicable (e.g., 15 years for low-income housing tax credit projects). It is imperative that the PJ scrutinize the proforma to ensure the cash flow projections are reasonable in light of the present economic conditions since the rate of return on the investment is partially predicated on the cash flow. The cash flow projections should neither be unduly conservative nor overly optimistic.

The proforma should adhere to guidelines established by the PJ. However, there are some basic industry standards that may be implemented as guidelines, such as those presented in FBSA 1.

TABLE 3: Basic
Proforma

Industry

Standards

INCOME

* All income should be included in the proforma (commercial, residential, laundry, etc.).

* All rental lease equity contributions in the operating strips (e.g., 10% of net credit equity payments, funds to cover anticipated initial operating deficits) should be shown as income.

* The rate of increase for income should be no higher than 3 percent per year for the average project.

OPERATING EXPENSES

* All fixed expenses should be included and reflect the project's type (rental, cooperative, condominium), size (number of units), services and costs provided by the locality (garbage collection, tax abatements, water and sewer charges) and type of mechanical systems (heating, hot gas, etc.).

* Expenses should always be greater than income on an annual basis, e.g., increases of 4 to 4.5 percent per year (as compared to 3 percent for income).

* Operating expenses tend to be generally 30-40 percent of gross rents for a market rental project (higher depending on many factors including the limitation on gross rents that can be obtained in a RCMs subsidized project vs. a market rate project which has no such limitations). The operating expenses of comparable rent-controlled projects should also be examined to determine a percentage for the project.

* The vacancy rate should be a minimum of 3 percent or, in annual studies, variations on project type, size and market should be used.

* Property management fees should be approximately 5-7 percent of gross rents. Please note that the 5-7 percent range is based solely on the remaining work a property manager must perform. In cases where services are included in the rent and the property agent has the responsibility to coordinate/provide such services, the fee may be higher based on additional responsibilities.

EXPENSES

* All debt and equity costs should be included in the proforma.

- * All debt service should be included in the cash flow projections.
- * All non-cash expenses should be included such as depreciation, amortization of fees and amortization of principal.

If the income/expense statement does not meet the guidelines and/or the supporting documentation presented is not adequate to justify the projections in the proforma, the income/expense analysis in the appraisal should be reviewed for consistency and/or verification. The expense sources (property management firm, tax authority, water/sewer department) should be contacted for verification of the costs.

The project cash flow shall be defined as: the standable cash generated annually (at the end of the yearly period) after all operating expenses and debt service payments have been deducted from the gross revenue of the property. The determination of a reasonable rate of return on the equity investment will be based on an evaluation of the individual project as it compares to market standards for similar investments. Using data contained in the project application, the PJ may evaluate several factors (e.g., cash on cash return, the internal rate of return, net equity) in determining a "reasonable" rate of return for the project.

PIA EVALUATION POINT

The simplest evaluation is the cash flow return on the investment. A PJ may find the cash on cash return analysis adequate for purposes of the review and it is calculated as illustrated in TABLE 1. In other cases, tax benefits and potential appreciation will be significant sources of return to investors.

There are more refined and comprehensive approaches to determine rates of return on the investment which can be undertaken, including net equity, internal rate of return. These types of reviews might be especially beneficial if RMC funds are used in conjunction with projects funded through the FUL program and low-income

housing tax credits. The PJ should not allow an excessive gain/profit to be derived from the project, in particular the financing phase income.

Housing tax credits, low interest loans, grants, tax abatement, etc.). The PJ should carefully appraise the impact for reasonable rates of return on the financial equity based on the project

On Cash
Cash

Analysis

The cash flow (Cash on Cash) return is calculated by dividing the cash flow by the equity invested. It is calculated as follows:

Step 1. Determination of Net Operating Income

Gross Annual Income - Vacancy Loss (Rate x Rental Income)
Effective Gross Income (EGI)

EG - Operating Expenses = Net Operating Income (NOI)

Step 2. Compute Cash on Cash Return

NOI - Debt Service Cost = Cash Flow
Cash on Cash
Return
Equity (Land, other, equity, loans, grants, donated land, etc.)

- Notes: 1. Equity can be determined by reviewing the partnership documents.
2. Since cash flows tend to change over time and be lower in the early years of a project, cash flows should be averaged - if a minimum over the term of the affordability period to gain a realistic picture of an owner's return.

Table 2: Simple, Single-Year
Cash on Cash Illustration

Assumptions:

Cost: (total investment)	\$ 1,000,000.
Less: First Loan (0.5% 30 yrs)	(\$
850,000.)	
Less: Second Loan (0.5% interest only)*	(\$
150,000.)	
Cash (equity) required	\$ 200,000.

Step 1. Determine the Net Operating Income

Gross rental income	\$ 175,000.
Less: Vacancy (1%)	(\$ 1,750.)
Effective Gross Income (EGI)	\$ 173,250.
Less: Operating Expenses	(\$ 87,000.)
Net operating income (NOI)	\$ 86,250.

Step 2. Compute Cash on Cash Return

Net Operating Income	\$ 86,250.
Debt Service (First Loan)	\$ 66,586.
Debt Service (Second Loan)	\$ 12,000.
Total Debt Service	\$ 78,586.
Cash Flow	\$ 7,664.

Cash flow = \$ 7,664. = Cash on Cash Return = 3.8%
Equity \$ 200,000.

Notes: The cash on cash return is based on an annual pre-tax cash flow which excludes non-cash expenses such as depreciation.

* Form of subordinate government assistance that is grant or loan does not alter the above evaluation.

Since cash flows tend to change over time and be lower in the early years, cash flows should be averaged at a minimum over the term of the affordability period (e.g., a 30-year amortization of 40 years' return).

Overall Evaluation

If the Participating Jurisdiction determines that the total amount of HOME assistance and other governmental assistance exceeds the amount that the PJ determines is necessary to make the project feasible due to the unreasonableness of the costs and/or the projected rate of return, the PJ can consider several options:

- 1) Reduce the amount of HOME assistance through reducing the development budget accordingly or increasing the non-public funding of the project;
- 2) Make other adjustments to the project, such as lower the costs to be incurred, reduce the term of the loan in order to lower the rate of return; or
- 3) Deny HOME assistance if the applicant refuses to make reasonable adjustments or to limit its requirements.

VI. SINGLE-FAMILY RENTAL HOUSING (1-4 units)

The concepts contained in all subparts of Section V above pertain to single-family rental housing of 1 to 4 units as well as multi-family rental housing (for example, income/expenses, cash on cash, and net operating income analyses). However, there are two questions to be considered before applying these concepts: 1) Is the rental project owner-occupied? and 2) Is the owner-occupied unit being rehabilitated with Federal funds?

If the answer to both questions is YES, the rental income for the owner's unit (had the project not been owner-occupied) must be excluded from the income analysis of the project. For example, in a four unit owner-occupied project, only the expected income of the three rental units are included in the income analysis. Similarly, expenses associated with the rehabilitated owner's unit must also be excluded from the project. The exclusion of income and expenses of the owner's unit not only affects the net operating income and the cash on cash analyses, but also influences the results of the project.

Montgomery County Community Development Department
HOME Program Application Cover Sheet
Background Information

Submitted by (Entity/Organization): _____

Authorized Signature: _____

Title: _____ Email: _____

Contact Person: _____ DUNS NO. _____

Address: _____

(Area Code) Telephone: _____ (Area Code) Fax: _____

HOME Funds Requested: _____ Total Project Costs: _____

Number of Low-Income Clients to be helped with Requested Funds: _____

Project Title: _____

Brief Description/Location of Project: _____

Checklist of Required Documents (Please check all items submitted. See page 12 for more information.)

- _____ 1. Original signed and completed application cover sheet and proposal packet.
- _____ 2. Project or Proposal Description Narrative (See page 5 for requirements).
- _____ 3. Completed and signed HOME budget forms. (See pages 16-18).
- _____ 4. Copies of Articles of Incorporation and Bylaws (must be signed and dated).
- _____ 5. State and Federal (IRS) Tax Exemption Determination Letters (non-profits only).
- _____ 6. List of City Council/Board of Directors (Names, Addresses, Employers, Occupations).
- _____ 7. City Council's/Board of Director's authorization to request funds.
- _____ 8. City Council's/Board of Director's designation of authorized official and correct person.
- _____ 9. Organization Chart.
- _____ 10. Job Description and Resume of Chief Program Administrator.
- _____ 11. Job Description and Resume of Chief Fiscal Officer.
- _____ 12. Most Recent Financial Statements and Audit.
- _____ 13. Completed and signed Conflict of Interest Disclosure Form. (See page 18).
- _____ 14. Letters of Commitment for all matching funds (letters should be dated on file, dated within 100 days of an application's submission for funds).
- _____ 15. Job Descriptions for all positions to be funded with HOME Program funds.
- _____ 16. Letters of Support and Letters of Reference.
- _____ 17. Completed CHDO Checklist if applying for CHDO services.
- _____ 18. Copy of current operating budget, including revenues and expenses.

MONTEGOMERY COUNTY COMMUNITY DEVELOPMENT

- CDBG Program Evaluation Form

Applicant:

Project: _____

National Objective: _____

Amount CDBG Funds Requested: _____ Total Project Cost: _____

Criteria	Maximum Points	Actual Points
1. Project is consistent with Consolidated Plan. If yes: High priority _____ Medium priority _____ Low priority _____ No priority _____	25 pts 10 pts 05 pts 00 pts	_____ _____ _____ _____
2. Has the entity ever performed the proposed activity before? If yes, evaluate the results of this effort. Excellent _____ Good _____ Adequate _____ Poor _____ Inadequate/No experience/Not enough information _____	25 pts 15 pts 10 pts 05 pts 00 pts	_____ _____ _____ _____ _____
3. Does the entity have experience with CDBG or other federal programs? _____	05 pts	_____
4. Does the entity staff appreciate the additional requirements and administrative burdens associated with federal funding? Does an employee use time between CDBG and non-CDBG funds to perform local government specific activities? _____	10 pts	_____
5. Is the entity familiar with the state regulatory environment associated with the proposed project? _____	10 pts	_____
6. Does the entity have staff who are familiar with the state regulatory environment, specifically the requirements for CDBG? If yes, evaluate the results of this effort. Excellent _____ Good _____ Adequate _____ Poor _____ Inadequate/No experience/Not enough information _____	10 pts 05 pts 05 pts 00 pts 00 pts	_____ _____ _____ _____ _____

EXHIBIT -

7.	Does the entity have qualified staff for all the necessary functions associated with the proposed activity/program?	(10 pts)	_____
8.	Is there adequate staff time available to manage the Proposed activity/program? If no, evaluate the entity's plan to fill these gaps in personnel: Excellent _____ (05 pts) Good _____ (04 pts) Adequate _____ (04 pts) Poor _____ (02 pts) Inadequate/Very Poor _____ (00 pts)		
9.	Does the proposed activity/program description make sense?	(10 pts)	_____
10.	Do the delivery methods make sense?	(10 pts)	_____
11.	Has the need/problem been defined and documented?	(10 pts)	_____
12.	To what extent is the need/problem evaluated? Totally _____ (10 pts) Somewhat _____ (05 pts) Not Affected _____ (00 pts)		
13.	Have the proposed activity/program objectives been defined and quantified?	(10 pts)	_____
14.	Is the proposed activity/program budget reasonable for CDBG funding?	(10 pts)	_____
15.	Is the cost per CDBG beneficiary reasonable? Number of beneficiaries _____ Total Costs _____ Average Costs _____	(10 pts)	_____
16.	Does the entity have the ability to maintain and operate the proposed activity/program after the expendable of CDBG funds?	(10 pts)	_____
17.	Are matching funds a part of the proposal? If yes, what is the percentage of the matching funds? 51% or more _____ (10 pts) 25% to 50% _____ (05 pts) 1% to 24% _____ (05 pts)		
18.	Has the entity been ranked, "Majority Community Development Reform"? If yes, please list most recent year, amount and Administration's rating. For non-representation, increase or decrease over the last five years.	Yes No	_____
19.	How will the program be evaluated? Sound evaluation tool or methods _____ (10 pts) Verifiable statistics _____ (05 pts) Annual audit _____ (05 pts) The Director _____ (02 pts)		

26. How can we show we used these requested funds in the best way possible?

27. Personal involvement with the program or
Personal knowledge of the program by Board
member (10 pts)

Special Considerations/Site Visit _____

Evaluator _____ Date Evaluated _____

Issues to consider:
 Cost-Effect Ratio Additional Efforts Needed Completion Timetable
 and Documents in Place Health and Safety Issues Necessity/Need for Program Other Comments

TOTAL SCORE FROM THIS EVALUATOR _____ TOTAL OVERALL
 SCORE _____

APPENDIX L:

HMIS POLICIES AND PROCEDURES

MONTGOMERY COUNTY
HOMELESS MANAGEMENT INFORMATION SYSTEM

POLICIES AND PROCEDURES

HMS PROJECT STAFF
731 WEST DAVIS
CONROE, TEXAS 77385

HMS Policies and Procedures
October 2010

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1 Introduction

This document provides the framework for the ongoing operations of the Montgomery County Homeless Management Information System Project (MCHMIS). The Project Overview provides the main objectives, direction and benefits of MCHMIS. Governing Principles establishes the values that are the basis for all policy statements and subsequent decisions.

Operating Procedures provides specific policies and steps necessary to control the operational environment and enforce compliance in:

- Project Participation
- User Authorization and Passwords
- Collection and Entry of Client Data
- Release and Disclosure of Client Data
- Server Security
- Server Availability
- Workstation Security
- Training
- Technical Support

Other Obligations and Agreements discuss external relationships required for the continuation of this project. Forms Control provides information for documenting forms filing and record keeping.

2 Project Overview

The long-term vision of MCHMIS is to enhance Partner Agencies' collaboration, service delivery and data collection capabilities. Accurate information will put the Montgomery County CoC in a better position to request funding from various sources and help plan better for future needs.

The mission of the Montgomery County CoC and the MCHMIS Project is to be an integrated network of homeless and other service providers that use a central database to collect, track and report uniform information on client needs and services. This system will not only meet Federal requirements but also enhance service planning and delivery.

The fundamental goal of HMIS is to document the demographics of homelessness in Montgomery County according to the HUD HMIS Standards. It is then the goal of the project to identify patterns in the utilization of assistance, and document the effectiveness of the services for the client. This will be accomplished through analysis of data that is gathered from the actual experiences of homeless persons and the service providers who assist them in shelters and homeless assistance programs throughout the county. Data that is gathered via intake interviews and program participation will be used to complete HUD Annual Progress Reports. This data may also be analyzed to provide unduplicated counts and anonymous aggregate data to policy makers, service providers, advocates, and consumer representatives.

The project utilizes a web-enabled application residing on a central server to facilitate data collection by homeless service organizations across the county. Access to the central server is limited to agencies formally participating in the project and then only to authorized staff members who meet the necessary training and security requirements.

MCHMIS is started and advised by the Montgomery County Homeless Coalition. MCHC is the authorizing agent for all agreements made between Partner Agencies and MCHMIS. The HMIS System Administrator is responsible for the administration of the central server and user access. MCHC will also provide technology training and technical assistance to users of the system throughout the county.

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Potential benefits for agencies and program managers: Aggregated information can be used to develop a more complete understanding of clients' needs and outcomes, and then used to advocate for additional resources, complete grant applications, conduct evaluations of program services, and report to funding agencies such as HUD.

Potential benefits for community-wide Continuums of Care and policy makers: County-wide involvement in the project provides the capacity to generate HUD Annual Progress Reports for the Continuums of Care and allows access to aggregate information both at the local and regional levels that will assist in identification of gaps in services, as well as the completion of other service reports used to inform policy decisions aimed at addressing and ending homelessness at local, state and federal levels.

3 Governing Principles

Described below are the overall governing principles upon which all decisions pertaining to MCHMIS are based:

Participants are expected to read, understand, and adhere to the spirit of these principles, even when the Policies and Procedures do not provide specific direction.

Confidentiality

The rights and privileges of clients are crucial to the success of MCHMIS. These policies will ensure clients' privacy without impacting the delivery of services, which is the primary focus of agency programs participating in this project. Policies regarding client data are founded on the premise that a client owns his/her own personal information and provide the necessary safeguards to protect client, agency, and policy level interests. Collection, access and disclosure of client data through MCHMIS will only be permitted by the procedures set forth in this document.

Data Integrity

Client data is the most valuable and sensitive asset of MCHMIS. These policies will ensure integrity and protect this asset from accidental or intentional unauthorized modification, destruction or disclosure.

System Availability

The availability of a centralized data repository is necessary to achieve the ultimate countywide aggregation of unduplicated homeless statistics. The System Administrator is responsible for ensuring the broadest deployment and availability for homeless service agencies in Montgomery County.

Compliance

Violation of the policies and procedures set forth in this document will have serious consequences. Any deliberate or unintentional action resulting in a breach of confidentiality or loss of data integrity will result in the withdrawal of system access for the offending entity.

4 Roles and Responsibilities

Montgomery County HMIS as governed by the CoC

Technology

- Project Direction and Guidance
- Technology Plan
- Selection of System Software
- Approval of Project Forms And Documentation
- Project Participation and Feedback
- Project Funding

Montgomery County Homeless Coalition

MCHC Executive Director

- Liaison With HUD
- Project Staffing
- MCHMIS Signatory for Memorandums of Understanding
- Overall Responsibility for Success of MCHMIS

Project Manager and System Administrator

- Selection And Procurement of Server Hardware
- Hosting Facility Agreement
- Domain Registration
- Procurement of Server Software and Licenses
- End User Licenses (First 2 Years)
- Creation Of Project Forms and Documentation
- Project Website
- Project Policies and Procedures and Compliance
- General Responsibility for Project Rollout
- General Server Administration
 - o Server Security, Configuration, and Availability
 - o Setup And Maintenance of Hardware
 - o Installation And Maintenance of Software
 - o Configuration of Network and Security Layers
 - o Anti-Virus Protection for Server Configuration
 - o System Backup and Disaster Recovery
- Keeper of Signed Memorandums of Understanding
- User Administration
 - o Add And Remove Partner Agency Technical Administrators
 - o Manage User Licenses
- System Uptime and Performance Monitoring
- Ongoing Protection of Confidential Data

Training Coordinator

- Curriculum Development
- Training Documentation
- Confidentiality Training
- Application Training for Agency Administrators and End Users
- Outreach/End User Support
- Training Timetable
- Helpdesk

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Data Analyst

- Adherence To HUD Data Standards
- Application Customization
- Data Monitoring
- Data Validity
- Aggregate Data Reporting and Extraction
- Assist Partner Agencies with Agency-Specific Data Collection and Reporting Needs (Within Reason and within Constraints of Other Duties)

Partner Agency (PA)

Partner Agency Executive Director

- Authorizing Agent for Partner Agreement (Memorandum of Understanding)
- Designation of Technical Administrator
- Agency Compliance with Policies & Procedures
- End User Licenses
- Agency Level HUD Reporting
- Each Partner Agency is responsible for ensuring they meet the Privacy and Security requirements detailed in the HUD FMIS Data and Technical Standards. Annually, Partner Agencies will conduct a thorough review of internal policies and procedures regarding FMIS.

Partner Agency Technical Administrator

- Authorizing Agent for Partner Agency User Agreements
- Keeper Of Partner Agency User Agreements
- Keeper Of Executed Client Informed Consent Forms
- Authorizing Agent for User ID Requests
- Staff Workstations
- Internet Connectivity
- End User Adherence to Workstation Security Policies
- Detecting and Responding to Violations of the Policies and Procedures
- First Level End User Support
- Maintain Agency/Program Data in FMIS SCC Application
- Authorized Imports of Client Data

Agency Staff

- Safeguard Client Privacy through Compliance with Confidentiality Policies
- Data Collection as Specified by Training and Other Documentation

5 OPERATING PROCEDURES

5.1 Project Participation

▪ Policies

- Agencies participating in MCHMIS shall commit to abide by the governing principles of MCHMIS and adhere to the terms and conditions of this partnership as detailed in the Memorandum of Understanding.

▪ Procedures

Confirm Participation

1. The Partner Agency shall confirm their participation in MCHMIS by submitting a Memorandum of Understanding to the MCHMIS System Administrator.
2. The MCHMIS System Administrator will obtain the co-signature of MCHC Executive Director.
3. The MCHMIS System Administrator will maintain a file of all signed Memorandums of Understanding.
4. The MCHMIS System Administrator will update the list of all Partner Agencies and make it available to the project community and post this list on the MCHMIS website.
5. All Partner Agencies will be listed on the MCHC website.

Terminate Participation

Voluntary

1. The Partner Agency shall inform the HMIS System Administrator in writing of their intention to terminate their agreement to participate in HMIS.
2. The HMIS System Administrator will inform the MCHC Executive Director and update the Participating Agency List.
3. The HMIS System Administrator will revoke access of the Partner Agency staff to HMIS. Note: All Partner Agency-specific information contained in the HMIS system will remain in the MCHMIS system.
4. The HMIS System Administrator will keep all termination records on file with the associated Memorandums of Understanding.

Lack of Compliance

1. When the HMIS System Administrator determines that a Partner Agency is in violation of the terms of the partnership, Executive Directors of Partner Agency and MCHC will work to resolve the conflict(s).
2. If Executive Directors are unable to resolve conflict(s), the MCHC will be called upon to resolve the conflict. If that results in a finding of Termination:

The Partner Agency will be notified in writing of the decision to terminate their participation in HMIS.

- i. The HMIS System Administrator will revoke access of the Partner Agency staff to MCHMIS.
- ii. The HMIS System Administrator will keep all termination records on file with the associated Memorandums of Understanding.
- iv. The Partner Agency may appeal decision to the MCHC for future participation in MCHMIS provided the Partner Agency has corrected the issues resulting in the initial termination ruling.

Assign Technical Administrator

1. The Partner Agency shall designate a primary contact for communications regarding HMIS by submitting a Partner Agency Technical Administrator Agreement form to the HMIS System Administrator.
2. The HMIS System Administrator will obtain all signatures necessary to execute the Partner Agency Technical Administrator Agreement.
3. The HMIS System Administrator will maintain a file of all signed Technical Administrator Assignment forms.
4. The HMIS System Administrator will maintain a list of all assigned Partner Agency Technical Administrators and make it available to the HMIS staff.

Re-Assign Technical Administrator

1. The Partner Agency may designate a new or replacement primary contact in the same manner as above.

Site Security Assessment

1. Prior to allowing access to MCHMIS, the Partner Agency Technical Administrator and the HMIS System Administrator will meet to review and assess the security measures in place to protect client data. The Partner Agency Executive Director (or designee) and Partner Agency Technical Administrator will meet with MCHC staff member to assess The Partner Agency's information security protocols. This review shall in no way reduce the responsibility for Partner Agency information security, which is the full and complete responsibility of the Partner Agency's Executive Director, and Technical Administrator.
2. Partner Agencies shall have virus protection software on all computers that access MCHMIS.

5.2 User Authorization & Passwords

• Policies

1. Partner Agency staff participating in MCHMIS shall commit to abide by the governing principles of MCHMIS and adhere to the terms and conditions of the Partner Agency User Agreement.
2. The Partner Agency Technical Administrator must only request user access to MCHMIS for those staff members that require access to perform their job duties.
3. All users must have their own unique user ID and should never use or allow use of a user ID that is not assigned to them (see Partner Agency User Agreement).

- Temporary, first time only, passwords will be communicated verbally via telephone or in person to the owner of the user ID.
- User-specified passwords should never be shared and should never be communicated in any format.
- New user IDs must require password change on first use.
- Passwords must consist of at least 8 characters and must contain a combination of letters and numbers (no special characters; alpha and numeric only). The password must contain at least two numbers (required by software). According to the HUD Data and Technical Standards Final Notice (July 2014): *User authentication. Baseline Requirement. A CHO must secure HMIS systems with, at a minimum, a user authentication system consisting of a username and password. Passwords must be at least eight characters long and meet reasonable industry standard requirements.*
- Passwords must be changed every 45 days. If they are not changed within that time period, they will expire and the user will be locked out of the system.
- For Partner Agency Technical Administrators, passwords may only be reset by the HMIS System Administrator.
- For Agency Users (not including Partner Agency Technical Administrator) passwords should be reset by the Partner Agency Technical Administrator, but in some cases may be reset by the HMIS System Administrator.
- Three consecutive unsuccessful attempts to login will disable the User ID until the account is reactivated by a Partner Agency Technical Administrator or the HMIS SOC System Administrator.
- HMIS has enlisted the use of Static IP to comply with the Public Access baseline requirement in the HUD Data Standards (4.3.1 System Security).
- It is the responsibility of the partnering Agency to inform Community Technology Alliance about any changes to IP address information previously submitted and approved for authorized access to HMIS.

■ **Procedures**

Workstation Security Assessment

1. Prior to requesting user access for any staff member, the Partner Agency Technical Administrator will assess the operational security of the user's workspace.
2. Partner Agency Technical Administrator will confirm that workstation has virus protection properly installed and that a full-system scan has been performed within the last week.
3. Partner Agency Technical Administrator will confirm that workstation has and uses a hardware or software firewall.

Request New User ID

1. When the Partner Agency Technical Administrator identifies a staff member that requires access to HMIS, a *Partner Agency User Agreement (PAUA)* will be provided to the prospective user.
2. The prospective user must read, understand and sign the PAUA and return it to the Partner Agency Technical Administrator.
3. The Partner Agency Technical Administrator will complete the PAUA and keep it on file.
4. The Partner Agency Technical Administrator will create the new User ID as specified and notify the user ID owner of the temporary password via email.

Change User Access

1. When the Partner Agency Technical Administrator determines that it is necessary to change a user's access level, the Partner Agency Technical Administrator will update the user ID as needed.

Rescind User Access

Voluntary

Use this procedure when any MOCHA'S user leaves the agency or otherwise becomes inactive.

Inactive Users

The HMIS System Administrator reserves the right to terminate user licenses which are inactive for more than 90 days. The HMIS System Administrator will make every attempt to contact Partner Agency prior to termination of inactive user license.

Compliance Failure:

Use this procedure when any HMIS user breaches the PAUA, or violates the Policies and Procedures, or breaches confidentiality or security.

1. The Partner Agency Technical Administrator will deactivate staff user IDs.
2. The HMIS System Administrator will deactivate all other user IDs.

Reset Password

1. When a user forgets his or her password or has reason to believe that someone else has gained access to their password, they must immediately notify their Partner Agency Technical Administrator.
2. The Partner Agency Technical Administrator will reset the user's password and notify the user of the new temporary password.

Public Key Infrastructure (PKI) Security Procedure

1. Each Partner Agency shall obtain a Static IP address from their internet service provider and submit the Static IP address to Community Technology Alliance for verification.
2. Each Partner Agency shall be responsible for all expenses related to obtaining a Static IP address.
3. MOCHA will maintain a list of valid Static IP addresses and allow those Static IP addresses to have access to HMIS, 24 hours, business days.
4. Community Technology Alliance will establish the method using PKI certificates or other suitably secure method in computers used for street outreach only.
5. Each Partner Agency that requires the use of PKI or other suitably secure method for street outreach shall be responsible for all expenses related to compliance of this requirement.

5.3 Collection and Entry of Client Data

• Policies

- Client data will be gathered according to the policies, procedures and confidentiality rules of each individual program.
- Client data may only be entered into HMIS with client's authorization to do so.
- All universal and program data elements from the HUD HMIS Data and Technical Standards Final Draft should be collected, subject to client consent.
- Client data will only be shared with Partner Agencies if the client consents. Has signed the Client Consent form, and the signed Client Consent form is available on record.
- Client data will be entered into HMIS in a timely manner. Client identification should be completed during the intake process or as soon as possible following intake and within 24 hours.
- Service records should be entered on the day services began or as soon as possible within the next 24 hours.
- Required assessments should be entered as soon as possible following the intake process and within 24 hours.
- All client data entered into HMIS will be kept as accurate and as current as possible.
- Hardcopy or electronic files will continue to be maintained according to individual program requirements, and according to the HUD HMIS Data And Technical Standards Final Draft.
- No data may be imported without the client's authorization.
- Any authorized data imports will be the responsibility of the Partner Agency.
- Partner Agencies are responsible for the accuracy, integrity, and security of all data input by said Agency.
- Our Continuum of Care is committed to entering client specific data into HMIS that is accurate, complete, and timely to ensure quality of data, and to provide reports to agency executive management, public policy decision makers, and all participating homeless service and housing providers.
- Data quality of client specific data is essential to the meaningful analysis and accurate reporting of Continuum of Care data.
- Data quality shall be a concern of highest importance and all members of Continuum of Care will work to continuously improve quality.
- Quality assurance shall be the ultimate responsibility of each Partner Agency's Executive Director. MCHC will provide Exception Reports to the Partner Agency Technical Administrator who is designated by the Partner Agency Executive Director.
- The Partner Agency that creates a client record owns the responsibility for a baselining of data quality to include: non-duplication of client record, Release Of Information (ROI), Universal & Program level data elements as defined by HUD Data Standards, up-to-date Program Entries and Exits, and answers to the questions, "Currently Homeless?" and "Chronically Homeless?"
- Each Partner Agency that comes in contact with a client has an opportunity to improve data quality and should make every effort to do so when that opportunity arises.
- Each Partner Agency has agreed to and is responsible for collecting and entering all of the data elements on Montgomery County HMIS Standardized Intake Form, whenever required by HUD or HHS.
- The Continuum of Care will decide on a plan to dispose of (or remove identifiers from) client data seven (7) years after it was created or last changed.

■ *Procedures*

1. Refer to Online User Manual and/or Training Materials for specific data entry guidelines.
2. MOHC will provide each agency with an ongoing Exceptions Report, and provide the training necessary in order for the Partner Agency to be able to download and report to the appropriate parties within the agency.
3. The Partner Agency Technical Administrator will share data with authorized personnel only (those with MOHMIS authorization).
4. Partner Agency Technical Administrator will be responsible for reviewing the weekly Exception Reports and modifying users to make corrections, within one week.
5. Partner Agency Technical Administrator will inform the HMIS System Administrator if there are any technical issues retrieving the Exception Reports within three (3) business days.
6. Upon request of Partner Agency Executive Management, MOHC will provide measures and metrics to verify data quality.
7. Upon request by The Collaborative's Executive Committee, MOHC will provide measures and metrics to assess the data quality of individual programs.
8. The Collaborative's Technology Committee shall decide on the procedure to properly dispose of client data within the seven-year time frame as stated in the HMIS Data Standards.

5.4 Release and Disclosure of Client Data

(continued)

■ *Policies*

1. Client-specific data from MOHMIS may be shared with Partner Agencies only when the sharing agency has secured a valid Release of Information from that client authorizing such sharing, and only during such time that Release of Information is valid (before its expiration). Other non-HMIS inter-agency agreements do not cover the sharing of HMIS data.
2. Sharing of client data may be limited by program specific confidentiality rules.
3. No client-specific data will be released or shared outside of the Partner Agencies unless the client gives specific written permission or it is withheld that information would be illegal (see Release of Information).
4. Release of information must constitute INFORMED consent. The burden rests with the intake counselor to inform the client before asking for consent. As part of informed consent, a notice must be posted explaining the reasons for collecting the data, the client's rights, and any potential future uses of the data.
5. Client shall be given print out of all data relating to them upon written request and within 10 working days.
6. A report of data sharing events, including dates, agencies, persons, and other details, must be made available to the client upon request and within 10 working days.
7. A log of all external releases or disclosures must be maintained for seven (7) years and made available to the client upon written request and within 10 working days.
8. Aggregate data that does not contain any client specific identifying data may be shared with internal and external agents without specific permission. This policy should be made clear to clients as part of the informed consent procedure.

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9. Each Partner Agency Executive Director is responsible for his or her agency's internal compliance with the HUD Data Standard.

▪ **Procedures**

1. Procedures for disclosure of client-specific data are readily obtained from the above policies, combined with the configuration of MCHMIS, which facilitates appropriate data sharing.

REPORTING OUT OF HMIS

Any request from a funding jurisdiction for agency (and/or program) level data should be directed to the appropriate agency administrator (or other agency contact person) with the information provided directly to the requesting jurisdiction by that agency. MOHO will be available to offer technical support to reporting agencies.

Requests for reports on data quality, certificates of compliance and quality of participation by agencies in MCHMIS will be provided directly to the requesting jurisdiction by MOHO if action:

1. The request comes directly from the agency;
2. The requesting jurisdiction sends a copy of the request to the agency and the agency confirms that MOHO has permission to send the information.

Copies of any and all reports issued by MOHO to requesting jurisdictions will be copied to the appropriate agency administrator upon request.

On a quarterly basis, MOHO will report program level and data quality performance to the Executive Committee of The COO.

5.5 Server Security

▪ **Policies**

1. The HMIS System Administrator will strive to secure and keep secure the servers, both physically and electronically.

▪ **Procedures**

1. All procedures for maintaining Server Security are the responsibility of the MCHMIS System Administrator.

5.6 Server Availability

▪ **Policies**

1. The HMIS System Administrator will strive to maintain continuous availability by design and by practice.
2. Necessary and planned downtime will be scheduled when it will have least impact for the shortest possible amount of time, and will only occur after notifying participants.
3. The HMIS System Administrator is responsible for design and implementation of a backup and recovery plan, including disaster recovery.

▪ *Procedures*

1. A user should immediately report unplanned downtime to his or her Partner Agency Technical Administrator.
2. All other procedures for maximizing server availability, recovering from unplanned downtime, communicating, and avoiding future downtime are the responsibility of the MOHHS System Administrator.
3. The HHS System Administrator will backup system, software, and database data on a weekly basis, as well as incremental backups nightly.

5.7 Workstation Security

▪ *Policies*

- The Partner Agency Technical Administrator is responsible for preventing degradation of the whole system resulting from viruses, intrusion, or other factors under the agency's control.
- The Partner Agency Technical Administrator is responsible for preventing inadvertent release of confidential client-specific information. Such release may come from physical or electronic or even visual access to the workstation, thus steps should be taken to prevent these modes of inappropriate access (i.e., don't let someone read over your shoulder; lock your screen).
- All workstations to be used with HHS must be secured by a firewall between the workstation and the Internet. Software firewalls are acceptable.
- Recommended Internet connection: DSL or Cable Modem, at least 1Mbps.
- Recommended Browser: latest release of Internet Explorer version 6.
- Definition and communication of all procedures to all Partner Agency users for achieving proper agency workstation configuration and for protecting their access by all Agency users to the wider system are the responsibility of the Partner Agency Technical Administrator.

▪ *Procedures*

1. At a minimum, any workstation accessing the central server and have anti-virus software with current virus definitions (24 hours) and frequent full-system scans (weekly).

5.8 Training

▪ *Policies*

- The Partner Agency Executive Director shall obtain the commitment of the Partner Agency Technical Administrator and designated staff persons to attend training(s) as specified in the Memorandum of Understanding (MOU) between Partner Agency and MOHHS.

▪ *Procedures*

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Start-up Training

MCHO will provide training in the following areas prior to the Partner Agency using MCHMIS:

1. Partner Agency Technical Administrator training
2. End user training
3. Confidentiality training

Partner Agency Technical Administrator Training

Training will be done in a group setting, where possible to achieve the most efficient use of time and sharing of information between agencies. Training will include:

1. New user setup
2. Assigning agency within HMIS SOC hierarchy
3. End user training
4. Running package reports
5. Creating customized reports

Follow-up Training

MCHO will provide on-site follow-up training at each participating Partner Agency. Once the Partner Agency has "gone live," the HMIS Training & Outreach Manager will make on-site visits as needed to ensure that the Partner Agency becomes proficient in the use of MCHMIS.

On-going Training

MCHO will provide regular training for the Continuum of Care as needed. The areas covered will be:

1. Agency Technical Administrator Training
2. End User Training
3. Confidentiality Training

5.9 Compliance

▪ Policies

- Compliance with these Policies and Procedures is mandatory for participation in MCHMIS.
- Using the ClientTrack software, all changes to client data are recorded and will be periodically and randomly audited for compliance.
- Each Partner Agency is responsible for ensuring they meet the Privacy and Security requirements detailed in the HUD-HMIS Data and Technical Standards. Annually, Partner Agencies will conduct a thorough review of internal policies and procedures regarding HMIS.

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▪ **Procedures**

1. See "Project Participation" and "User Authorizations" sections for procedures to be taken for lack of compliance.
2. Annually, during the month of April, the HMIS System Administrator, or a designee, will send out (via email or mail) the Agency/Site Data Standards Compliance Checklist and a Certificate of Compliance to each Partner Agency Technical Administrator/Contact Person.
3. The Partner Agency Technical Administrator, or a designee, will conduct a review of each site where HMIS is used using the HMIS Data Standards Compliance Checklist as a guide.
4. If areas are identified that require action, the Partner Agency Technical Administrator, or designee, will note these on the checklist, and corrective action will be implemented within one month.
5. Once all action items are addressed, the Certificate of Compliance is to be signed by the Partner Agency Executive Director, or a designee, and returned to MCHC no later than May 31st of the review year.

5.10 Technical Support

▪ **Policies**

- Support requests include problem reporting, requests for enhancements (features), or other general technical support.
- Users shall submit support requests to their Partner Agency Technical Administrator (email is suggested).
- Users shall not, under any circumstances, submit requests to software vendors.
- Users shall not submit requests directly to MCHC without specific invitation. All requests to MCHC shall be submitted to Partner Agency Technical Administrator, who may then escalate to MCHC, who may then escalate to vendors as appropriate.
- MCHC will only provide support for issues specific to HMIS software and systems.

▪ **Procedures**

Submission of Support Request

1. User documents problem or originates idea for improvement to system or software.
2. User creates support request via email sent to Partner Agency Technical Administrator specifying the severity of the problem and its impact on their work, specific steps to reproduce the problem, and any other documentation that might facilitate the resolution of the problem. User shall also provide contact information and best times to contact.
3. The Partner Agency Technical Administrator, upon receipt of a support request, shall make reasonable attempts to resolve the issue.
4. If the Partner Agency Technical Administrator is unable to resolve the issue and determines that the problem is specific to HMIS SCO software and systems, the Partner Agency Technical Administrator shall consolidate multiple similar requests and submit a Partner Agency

Support Request by following the instructions found on the <http://support.hmisccc.org/> support website.

Note: If the Support Request is deemed by HMIS System Administrator to be an agency-specific customization¹, resolution of the request may be prioritized accordingly. MCHC reserves the right to charge on an hourly basis for these changes if/when the workload for such agency-specific customizations becomes burdensome.

¹ Agency specific customizations include but are not limited to new assessments, new data fields and new screens.

5. The HMIS System Administrator may at this point determine that the cause of reported issue is outside the scope of control of the HMIS SOC software and systems.
6. The HMIS System Administrator will consolidate such requests from multiple Partner Agencies, if appropriate, and strive to resolve issues according to their severity and impact.
7. If the HMIS System Administrator is unable to resolve the issue, other software or system vendor(s) may be included in order to resolve the issue(s).
8. In cases where issue resolution may be achieved by the end user or other Partner Agency personnel, the HMIS System Administrator will provide instructions via email to the Partner Agency Technical Administrator.

5.11 Changes to This and Other Documents

• Policies

- The Technology Committee of The Collaborative will guide the compilation and amendment of these Policies and Procedures.

• Procedures

Changes to Policies & Procedures

1. Proposed changes may originate from any participant in MCHMIS.
2. When proposed changes originate within a Partner Agency, they must be reviewed by the Partner Agency Executive Director and then submitted by the Partner Agency Executive Director to the HMIS System Administrator for review and discussion.
3. HMIS System Administrator will maintain a list of proposed changes.
4. The list of proposed changes will be discussed by the Technology Committee, subject to the term, agenda and modification. This discussion may occur either at a meeting of the HMIS Committee, or via email or conference call, according to the discretion and direction of the MCHMIS.
5. Results of said discussion will be communicated, along with the amended Policies and Procedures. The revised Policies and Procedures will be identified within the document by the date of the discussion.
6. Partner Agencies Executive Directors shall acknowledge receipt and acceptance of the revised Policies and Procedures within 10 working days of delivery of the amended Policies and Procedures by notification

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in writing or email to MCHMIS System Administrator. The Partner Agency Executive Director shall also ensure circulation of the revised document within their agency and compliance with the revised Policies and Procedures.

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APPENDIX M:

**HUD SECTION 3 CONTRACTING
POLICY AND PROCEDURE**

HOUSING AND URBAN DEVELOPMENT (HUD-SECTION 3)

CONTRACTING POLICY AND PROCEDURE

DEFINITIONS

Applicant – Any entity which makes an application for Housing and Urban Development (HUD)(Section 3) covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association.

Business Concern – a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Contractor - any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Employment Opportunities Generated by Section 3 Covered Assistance – all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in Section 24 CFR135.3 (a) (1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 24 CFR135.3(a)(2)), including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Housing Development – low-income housing owned, developed, or operated by public housing agencies in accordance with HUD's public housing program regulations codified in 24 CFR Chapter IX.

HUD Youth build Programs – programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

JTPA – The Job Training Partnership Act (29 U.S.C. 1579 (a).

Low-income person – families (including single persons) whose incomes do not exceed 80 per centum of the

median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families.

Metropolitan Area – a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

New Hires – full-time employees for permanent, temporary or seasonal employment opportunities.

Recipient – any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State unit of local government, PHA, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

Section 3 – Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 Business Concern – a business concern, 1) That is 51 percent or more owned by Section 3 resident; or 2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or 3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs 1 or 2 above.

Section 3 Covered Assistance – 1) public housing development assistance provided pursuant to Section 5 of the 1937 Act; 2) public housing operating assistance provided pursuant to Section 9 of the 1937 Act; 3) public housing modernization assistance provided pursuant to Section 14 of the 1937 Act; 4) assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 Clause – the contract provisions set forth in Section 24 CFR135.38.

Section 3 Covered Contracts – a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. Section 3 covered contracts do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation (FAR). Section 3 covered contracts also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

Section 3 Covered Project - the construction, reconstruction, conversion or rehabilitation of housing (including

reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 Resident – a public housing resident or an individual who resides in the metropolitan area or Non-metropolitan County in which the Section 3 covered assistance is expended and who is considered to be a low- to very low-income person.

Subcontractor – any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

Very low-income person – families (including single persons) whose income do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Section 3 Clause All Section 3 covered contracts shall included the following clause (referred to as the Section 3 Clause): A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations. C. The contractor agrees to send to each labor organization or representative or workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin. D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135. E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135. F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this

contract for default, and debarment or suspension from future HUD assisted contracts. G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

INTRODUCTION

It is the mission of Montgomery County Community Development to provide a variety of safe, sanitary, accessible, decent, and affordable housing opportunities to the citizens of Montgomery County, as well as a suitable living environment and economic opportunity.

The purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low and very-low income individuals, especially recipients of government assistance for housing, and to business concerns which provide economic opportunities to low and very low income individuals. **(Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended 12 U.S.C. 1701u).** Section 3 requirements apply to all contractors and subcontractors performing work in connection with projects and activities funded by federal Community Development Block Grant and HOME grants, regardless of the amount of the contract or subcontract. Section 3 covered contracts do not include contracts for the purchase of supplies and materials unless the contract includes the installation of the materials.

A business concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence that the business concern qualifies as a Section 3-business concern. (Refer to What Is A Section 3 Business Concern?). The Section 3 business must also be able to demonstrate its ability to complete the contract. The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36, 24 CFR 85.36b(8).

Contractors who do not qualify as Section 3 business concerns, but who enter into contracts with Montgomery County, must agree to comply with certain general conditions (refer to Section 3 Clause). All contractors and subcontractors, including Section 3 businesses, must comply with these general conditions. Included in these conditions is the requirement that each contractor and subcontractor submit with each pay request a report of Section 3 compliance (refer to Section 3 Compliance Report). Failure to comply with these general conditions may lead to sanctions, which can include termination of the contract for default and suspension or debarment from future HUD-assisted contracts.

WHAT IS A SECTION 3 BUSINESS CONCERN? A Section 3 Business Concern is a business concern, as defined in this section:

1. That is fifty-one percent (51%) or more owned by Section 3 residents; or
2. Whose permanent, full-time employees include persons, at least thirty percent (30% of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
3. That provides evidence of a commitment to subcontract in excess of twenty-five percent (25%) of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in items (1) or (2) above.

Note: A business concern seeking to qualify for Section 3 shall certify and submit evidence that the business meets one of the guidelines stated above. (Refer to Certification for Business Concerns Seeking Section 3 Preference In Contracting and Demonstration of Capability Form)

WHO IS A SECTION 3 RESIDENT? For purposes of Montgomery County Community Development, a Section 3 resident is:

An individual who lives within Montgomery County, Texas as a legal resident, and whose income falls within the guidelines for low or very low income.

ORDER OF PROVIDING PREFERENCE -- SECTION 3 BUSINESS CONCERN

When considering the award of contracts to business concerns, and more than one Section 3 business concern is being considered, to the greatest extent possible, awards shall be made in order of the percentage of employees who qualify as Section 3 residents. **Note: A Section 3 business concern seeking any of the above preferences shall submit evidence that it meets the guidelines of that preference by completing the Section 3 forms.**

WHAT IF MY BUSINESS DOES NOT QUALIFY AS A SECTION 3 BUSINESS?

Contractors will, to the greatest extent feasible, offer contracting opportunities to Section 3 business concerns. However, in the event no Section 3 business bids on a contract, or bids but is not able to demonstrate to the Contractors' satisfaction that it has the ability to perform successfully under the terms and conditions of the proposed contract, then that contract will be awarded to a non-Section 3 business concern that can meet the terms and conditions of the proposed contract through the competitive bidding process. That business concern must meet, as all business must (including Section 3 businesses), the general conditions of compliance (refer to Section 3 Clause [Construction Contracts] and Section 3 Clause [NonConstruction Contracts]). This will include:

1. Submitting a list of all positions necessary to complete contract, name of employees who will fill those positions, names of all other employees.
2. Posting notices of any vacant positions, including training and/or apprenticeship positions, qualifications

for positions, place where applications will be received and starting date of employment.

3. To the greatest extent possible, making available vacant positions, including training and/or apprenticeship positions, to Section 3 residents.
4. As positions are vacated during completion of contract, following guidelines enumerated in numbers 2 and 3 above.
5. Submitting Compliance Reports as required.
6. If notified of non-compliance, correcting non-compliance within allowable time period.

In all cases, applicants must meet the minimum qualifications for the position. In no instance shall it be construed that preference is given to Section 3 residents who do not meet these minimum qualifications.

HUD SECTION 3 INCOME LIMITS

Individuals residing in Montgomery County, Texas as legal residents, and who meet the income limits set forth at www.hud.gov for each calendar year in which employment is provided can qualify for Section 3 status. Montgomery County is part of the Houston-Baytown-Sugar Land, TX HUD Metro FMR Area.

The Houston-Baytown-Sugar Land, TX HUD Metro FMR Area contains the following areas: Chambers County, TX; Fort Bend County, TX; Galveston County, TX; Harris County TX; Liberty County, TX; Montgomery County, TX; San Jacinto County, TX and Waller County, TX.

HUD SECTION 3 LABOR GOALS

USE TOTAL CONTRACT COSTS

AMT OF CONTRACT	% OF TOTAL LABOR
\$25,000, but < \$100,000	10%
\$100,000, but < \$200,000	09%
\$200,000, but less than \$300,000	08%
\$300,000, but less than \$400,000	07%
\$400,000, but less than \$500,000	06%

\$500,000, but less than \$1 million	05%
1 million, but less than \$2 million	04%
2 million, but less than \$4 million	03%
\$4 million, but less than \$7 million	02%
\$7 million plus	1.5%

With this sliding formula, it is expected that an appropriate number of Montgomery County residents with particular qualifications or willingness to begin unskilled labor will be able to participate in contracted labor efforts. A prime contractor, through its subcontractor(s), may satisfy Montgomery County resident hiring requirements set forth above.

Enforcement during the post award or pre-bid conference, the objective shall be to impact critical Section 3 information to the contractor prior to commencement of the work/project. The following contract requirements shall be discussed in detail:

Davis-Bacon if applicable (Non-construction contracts do not require Davis-Bacon)

Minority and Women Owned Business Participation

Section 3 Resident Hiring

Certified Payroll, if applicable

On-Site Interviews, if applicable

The contractor will be required to certify its understanding of the terms and conditions of the contract as they pertain to Davis Bacon, Minority and Women Owned Business participation, and Section 3 Hiring.

Monitoring and Enforcement Authority and Responsibility The function of monitoring Davis-Bacon, Section 3 and M/WBE hiring will be carried out by the Montgomery County Labor Standards Officer, including all field activities.

DEFINITION: For participation in the Section 3 hiring effort, a resident is defined as any legal citizen or Qualified Resident Alien who is residing in Montgomery County who can be classified as low-and very-low income.

If a prime contractor is unable to satisfy requirements per the above, the requirements may be satisfied through any subcontractors that may be involved in the project.

HUD SECTION 3 - SCHEDULE D

NAME OF PRIME CONTRACTOR: _____

TITLE OF RFP OR SPEC: _____

SPEC. # OR RFP # OR PURCHASE ORDER#: _____

CONTRACT #: _____

WARNING: THIS DOCUMENT IS REQUIRED FOR ALL CONSTRUCTION OR LABOR RELATED PROCUREMENTS.

1. **Employment of Very Low Income Area Residents.** The Contractor hereby agrees to comply with all the provisions of Section 3 as set forth in 24 CFR 135.38 implementing Section 3 requirements. The contractor hereby submits this Schedule D as its Section 3 Opportunities Plan. The Contractor shall provide a status report identifying its progress in meeting the Section 3 goals established in this Section D on a quarterly basis throughout the contract period. The quarterly status report shall be submitted no later than 10 days after the end of each calendar quarter of the contract (e.g., April 10 for calendar quarter January 1 to March 31). The status report shall be in at least the same level of detail as the approved Schedule D. For any goal not met, the report shall identify any other economic opportunities, which the contractor has provided, or intends to provide to Montgomery County neighborhood residents. Each Bidder/Proposer for a construction or labor related contract must complete this Schedule D and submit all relevant information required herein. A prime contractor, through its' subcontractors may satisfy the Hiring Requirements. The contractor shall have the goal of filling all vacant positions with low-income persons earning less than 80% of the median income in Montgomery County and these positions shall not be filled immediately prior to undertaking work in order to circumvent regulations as set forth at 24 C.F.R. Part 135 et seq; as amended.
2. **Subcontracting opportunities.** In a one (1) page letter on your company's letterhead: 1) Indicate the goals, expressed in terms of percentage of planning subcontracting dollars, for the use of Section 3 business concerns as subcontractors. 2) A statement of the total dollar amount to be subcontracted, total dollar amount to be subcontracted to Section 3 business concerns for building trades, and total dollar amount to be subcontracted to Section 3 business concerns for other than building trades work (maintenance, repair, modernization and redevelopment). 3) the efforts to be undertaken by the Contractor to meet those goals. Acknowledged by:

_____ (President or Authorized Officer)

Date: _____

CERTIFICATION FOR BUSINESS CONCERNS

SEEKING HUD (SECTION 3)

PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPABILITY

Name of Business: _____

Address of Business: _____

Type of Business: Corporation Partnership Sole Proprietorship Joint Venture

Attached is the following documentation as evidence of status:

For business entity as applicable:

Copy of Articles of Incorporation

Certificate of Good Standing

Assumed Business Name Certificate

Partnership Agreement

List of owners/stockholders

Corporation Annual Report

% ownership of each

Latest Board minutes appointing officers

Organization chart with names and titles

Additional documentation and brief function statement

For business, claiming Section 3 status by subcontracting 25 percent of the dollar awarded to qualified Section 3 business:

List of subcontracted Section 3 business(es) and subcontract amount

For business claiming Section 3 status, claiming at least 30 percent of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business:

List of all current full-time employees

List of employees claiming Section 3 status

Evidence of Section 3 status less than 3 years from day of employment

Evidence of ability to perform successfully under the terms and conditions of the proposed contract: ☐

Current financial statement

☐ Statement of ability to comply with public policy ☐

List of owned equipment

☐ List of all contracts for the past two years

_____ (Corporate Seal) Authorizing Name and

Signature Attested by: _____

HUD (SECTION 3)

RESIDENT EMPLOYMENT OPPORTUNITY DATA

Eligibility for Preference A section 3 resident seeking the preference in employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in Section 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

Certification for Resident Seeking Section 3 Preference in Employment

I, _____, am a legal resident of
Montgomery County, Texas and meet the income eligibility guidelines for a
low- or very low-income person as published annually by HUD. My permanent
address is:

I have attached the following documentation as evidence of my status:

Copy of receipt of public assistance

Copy of Evidence of participation in a public assistance program.

Other evidence

Signature: _____

Print Name: _____ Date: _____

Montgomery County Community Development Section 3 Compliance Report

General Information

Contractor:	Contract Amount: \$
Date:	Name of Person Completing Form:

Project Information

1. Does this contract exceed \$100,000, including subcontractors?
<input type="checkbox"/> Yes. Section 3 applies to contractors with contracts or subcontracts exceeding \$100,000. (Complete remainder of form with respect to your company and all subcontractors)
<input type="checkbox"/> No. Section 3 applies to Contractor only. (Complete remainder of form with respect to your company)
2. Indicate the efforts made to direct employment opportunities, to the greatest extent feasible, toward low and very low income persons, particularly those who are recipients of government assistance for housing (check all that apply):
<input type="checkbox"/> Attempted to recruit low-income residents through local advertising media, signs prominently displayed at the project site, contacting community organizations and public or private agencies operating within Montgomery County, or similar methods.
<input type="checkbox"/> Participated in a HUD program or other program, which promotes the training or employment of Section 3 residents.
<input type="checkbox"/> Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns
<input type="checkbox"/> Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
<input type="checkbox"/> Other. Describe:

The data reported in this section must be a compilation of information throughout the contract time frame pertaining to the contractor and all subcontractors.

Job Category	Staff		New Hires/Trainees	Staff Hours	
	Total # of Employees	Total # of Employees that are Section 3 Residents	Total # of new Hires/Trainees that are Section 3 Residents	Total # of hours for new hires that are Section 3 Residents	Total hours for Section 3 employees
Professional					
Technician					
Office/Clerical					
Construction by Trade: (List)					
Trade:					
Trade:					
Trade:					
Trade:					
Trade:					
Other:					
TOTAL:					

I certify that to the best of my knowledge all information reported in this document is true and accurate.

Signature of Authorized Contractor Official _____

Date _____

For Office Use Only:

1. Percent of employees who are Section 3 Residents: _____
2. Total of new Section 3 hires: _____
3. Percent of Section 3 employee hours worked by new Section 3 hires: _____

APPENDIX N:

**EMERGENCY SOLUTIONS GRANT
PROGRAM 2014**

Emergency Solutions Grant Program

Homeless and Other Special Needs Activities

One Year Goals and Action Steps

- I. Outreach.**
Youth Services will conduct outreach to 60 homeless youth
Salvation Army will conduct outreach to 348 homeless men and women
Montgomery County plans to use CDBG funds to open a Homeless Day Center to provide Outreach to 400 homeless persons.
- II. Emergency Shelter and Transitional Housing Needs**
Youth Services plans to shelter 100 unduplicated homeless youth
Salvation Army plans to shelter 1400 unduplicated men and women
Montgomery County plans to use HOME funds to construct 5 transitional housing units.
- III. Transition to Permanent Housing & Independent Living**
Youth Services will provide case management to facilitate transition to Permanent Housing for 100 homeless individuals. (Independent Living is not an option for the underage population served.)
Salvation Army will provide case management to facilitate transition to Permanent Housing for 280 homeless individuals.
- IV. Prevention Among Individuals & Families:**
Youth Services will provide Prevention Activities to 70 homeless individuals.
Salvation Army will provide Prevention Activities to 348 homeless individuals.
 - A. Being Discharged from Publicly-funded Institutions**
Youth Services does not receive children discharged from publicly-funded institutions, however some clients are in deferred adjudication programs.
Salvation Army is not equipped to handle nursing care for those discharged from hospitals and does not accept these cases. Some clients may have recently been discharged from prison, but this info is not requested and generally not volunteered.
 - B. Receiving Assistance from Public and Private Agencies**
The Youth Services clientele, as minors, are not indicated for public assistance. Salvation Army residents are charged \$7 per night for shelter, which, approximately 80% of the time, is paid by local private nonprofit agencies. The Veterans Administration pays Salvation Army directly for services provided to homeless veterans – ESG funds are not used for that population.

Activities Addressing Housing & Supportive Service Needs of Persons with Special Needs

Both funded shelters are ADA compliant. While CDBG and HOME funds are used to address Housing and Supportive Services for persons with special needs, ESG funds are not specifically earmarked for these activities. Case Management designed to assist clients into transitional or permanent housing includes whatever accommodations are needed on a case by case basis.

Program Specific Requirements for ESG

Written Standards

Attached are the Montgomery County Community Development written standards for providing Emergency Solutions Grant assistance. Also attached are the written HMIS standards for the Montgomery County Continuum of Care. A centralized assessment and intake system is under development, but not yet in effect.

Description of COC

Montgomery County's CoC is managed by the Montgomery County Homeless Coalition. It is a part of the Balance of State and does not receive its funding directly from HUD, except for two older projects which predate joining the Balance of State. The CoC includes all the major players in the County for dealing with the homeless. It encompasses Prevention, Outreach, Shelter, Transitional Housing and Permanent Subsidized Housing. Currently, the biggest challenge for the CoC is handling discharges from institutions, specifically hospitals and the prison system nearby. There are very few shelter beds in Montgomery County. The Salvation Army (general homeless, male and female) has 54 beds, Montgomery County Women's Center (female victims of domestic violence) has 60 beds, Montgomery County Youth Services (underage runaways) has 16 beds, and Healing Hands Ranch (general homeless, male only) has 20 beds.

The Continuum of Care's stated goal to end chronic homelessness is best served by these funds by halting the pipeline of new chronic homeless persons being "home grown" in our area. In a report released by the National Center on Family Homelessness, Texas ranks 50th in the nation in child homelessness, 49th in the extent of child homelessness, 44th in child well-being, and 50th in "at-risk" for child homelessness. 16% of children living in poverty are homeless. Homeless children are 6 times more likely to witness violent behavior by their parents as children in middle-income families. In addition, the number of homeless high school students in Texas is estimated to be 31,435, and the high school graduation rate for homeless youth is less than 25%. Our youth are at high risk for becoming a statistic, becoming lost in the "system," or becoming a chronically homeless adult.

Process for Making Subawards

The Proposals from prospective ESG Subrecipients were reviewed by Community Development staff and the Community Development Citizens Advisory Committee, which consists of volunteers from the community who are appointed by the Commissioners and Judge, based on criteria provided by the Director and consistent with HUD Guidelines and the 5-Year Consolidated Plan. The criteria for selection include geographic location of the Subrecipient, demographics and number of low-income individuals predicted to be served, and priority needs as set forth in the Plan.

After the Advisory Committee reviewed proposals submitted by the Applicants, public hearings were held to allow verbal and visual testimony and answer questions from the Advisory Committee. The Committee then met with staff and voted to approve applications and set the level of funding for each. The awards were then reviewed by Montgomery County Commissioners. The final version was approved during an open court agenda.

Needs Assessment/Funding Priorities

Community Development chose to fund two programs: Montgomery County Youth Services and The Salvation Army.

MCYS deals with one of the most vulnerable at-risk populations, children and youth. Although one key component of their work is sheltering, the organization is focused on long term prevention of chronic homelessness. By reaching children early and giving them the resources they need to become self-sufficient, problems in adulthood can be forestalled. Receiving services now helps prevent these youth from becoming involved in the adult criminal justice or welfare system, or becoming chronically homeless. According to the Texas Network of Youth Services, the annual cost to house a youth in a detention facility in 2010 was \$15,049, and in a Texas Youth Commission facility was \$141,717. The annual cost to keep a youth at the BridgeWay home at MCYS in 2010 was \$6,275.

Montgomery County chose to award **\$83,850 to Youth Services** for several reasons. First, the mission and operation of Youth Services aligns with an identified High Priority of the County. Second, Montgomery County is a small participating jurisdiction with exactly one grants monitor. Spreading the very small amount of funds across multiple organizations would dilute the potential impact of the funds and overwhelm the staff who oversee the activities.

According to the Texas Interagency Council on Homelessness, in Texas, 3% of all homeless are unaccompanied youth. Kurtz, Jarvis and Kurtz (1991) identify five different types of youth among the homeless. 1) youth who are members of homeless families, 2) those who leave home to escape physical and sexual abuse, 3) youth who have been thrown out of their homes by adult guardians (called throwaway youth), 4) runaways from the state foster care system and 5) youth who have immigrated to the United States unaccompanied, and are trying to make themselves inconspicuous.

Montgomery County chose to award **\$81,000 to Salvation Army**. By providing funds to an agency which handles the general homeless population, including adult men and women, the County succeeds in covering all homeless age groups.

Homeless Participation Requirement

Montgomery County Community Development does not currently have a homeless representative on any advisory committee. To gain input from a homeless, the Department has sought input from the residents of the shelters it funds on what policies and funding priorities should be in place. The Director of Community Development is a formerly homeless person, and has directed homeless sheltering programs in Arizona and Kansas.

Both of the subrecipients of ESG funds, Salvation Army and Youth Services, have a designated homeless representative on their respective Boards/Advisory Councils. Montgomery County Youth Services has a Sheriff's Department Deputy on the Board of Directors who had actually been a homeless resident of Youth Services at one time, and went on to join law enforcement and return to the agency to contribute. Salvation Army has a gentleman who used to be a client at the shelter, and was hired to be the Lodge Manager, who serves on the Advisory Council.

PERFORMANCE STANDARDS

Montgomery County Youth Services

Outcome	FY 14	
<i>Total of 100 clients per year</i>	# of clients	% of clients
# and percentage of clients who are discharged to permanent housing.	85	85%
# and percentage of clients who are enrolled in school or have obtained employment upon exit.	85	85%
# and % of youth who can identify at least two short term needs that were met by BridgeWay.	90	90%
# and % of youth who can verbalize and/or demonstrate that they have learned at least one new skill to cope with stress in order to avoid future homeless episodes.	90	90%

The Salvation Army

Outcome	FY 14	
<i>Total of 1400 clients per year</i>	# of clients	% of clients
# and percentage of clients who are discharged to permanent housing.	280	20%
# and percentage of clients who are enrolled in school or have obtained employment upon exit.	280	20%
# and % of clients who can identify at least two short term needs that were met by the Shelter	1260	90%
# and % of clients who can verbalize and/or demonstrate that they have learned at least one new skill to cope with stress in order to avoid future homeless episodes.	1260	90%

Consultation Process

The Montgomery County Homeless Coalition serves as the focal point of the Continuum of Care in Montgomery County. All shelters are members. In preparing this Substantial Amendment, Community Development contacted the Homeless Coalition and asked the following questions:

1. What are your policies and procedures for the operation and administration of the HMIS?
2. What would the Coalition consider to be the priority needs of the homeless in our area in terms of funding?
3. For the priority needs you identify, what performance standards would the Coalition like to see?

In response, the Coalition provided HMIS policies and procedures, which are attached to this document. The Coalition member agencies also queried homeless persons to ask about what

services are needed in Montgomery County. Requests include facilities for job training, a computer bank for job search, counseling services, and a wide range of other social services, health and dental care, child care, and a car repair facility.

In addition, Community Development consulted the Homeless Coalition's own application for FY 2014 CDBG Capital Project funds for information regarding Coalition priorities. In that application, the Coalition stated "Apart from housing, the most commonly recognized need listed by the Coalition members for their clients is training in order to secure employment." The Coalition also identified an additional need for showers and laundry facilities.

There are existing shelter programs in Montgomery County who do already provide free shelter, free meals, case management, and counseling to assist clients to find permanent housing upon exit from shelter. However these programs are mostly specialty shelters for youth, victims of domestic violence, and girls with diagnosed emotional disorders. Two shelters, Salvation Army and Helping Hands Ranch, serve adult males and females. In assessing appropriate funding options based on Coalition feedback and ESG rules, Community Development determined that the best course of action would be to fund one shelter serving youth, and one shelter serving the general adult homeless population.

Public Hearings

On March 21, April 12 and April 14th of 2014, a Notice of a Public Hearing to receive proposals for use of ESG funds was published in the Conroe Courier. On March 21st, a similar Notice was published in Spanish in the El Sol Newspaper. Notices were also posted at all the Montgomery County Public Library branches, and the East, North, West and Northwest Montgomery County Community Development Centers. A Public Hearing was held on May 1 regarding ESG proposed projects.

On June 9, June 10th and June 14th of 2014, Notices of intended grant awards were published in the newspaper and posted at the above listed sites. On June 13, 2014, a similar Notice was published in Spanish in the El Sol Newspaper. A Public Hearing on the 2014 Annual Plan was held on June 26, 2014.

Written comments were requested to be sent to the Director of Montgomery County Community Development at 501 N. Thompson, Suite 200, Conroe, Texas 77301, in all notices. No written comments were received from the public. No one attended the public hearing. The 2014 Montgomery County Annual Plan was approved for submission to the U.S. Department of Housing and Urban Development by the Montgomery County Commissioner's Court on July 28, 2014.

APPENDIX O:

GUIDELINES FOR UNDERWRITING MULTI-FAMILY PROJECTS

GUIDELINES FOR UNDERWRITING MULTI-FAMILY PROJECTS

PURPOSE

Montgomery County both endorses and funds multi-family projects for the TDHCA tax-credit competition, and funds the development of low income multi-family housing. Upon the release of tax-credits by the state, or the release of an RFP/Q by the county to construct/operate housing, a method is needed to verify the viability of proposals, and to score and select a single project for funding.

Tax Credit Competition

In the event of a competition between multiple developers requesting tax credit endorsement , more than one project can receive support or endorsement from the County, based on the results of a project analysis. Only one project can receive financial support. All decisions regarding endorsement or funding are based on the results of a review of the criteria listed in this Checklist. The County sets scoring at the beginning of each competitive cycle, for example: the County may award more points for projects addressing a specific population or located in a certain geographic area. Point priorities are based on the priorities established in the Five Year Consolidated Plan, the Annual Action Plan, and by the Commissioner's Court. The County reserves the right not to endorse or fund any project.

County Funded Projects

Any project requesting funding via HOME or CDBG application will be subject to a project analysis based on the criteria outlined in this Checklist. Priorities are announced in the RFP or annual application announcement, detailed in the Scope. All projects must demonstrate capacity to comply with federal regulations specific to the funding source, plus federal cross cutting regulations. The county reserves the right to reject all proposals/applications, even if minimum criteria are met. County funding of projects is always contingent upon receipt of federal grant funds from HUD.

UNDERWRITING CHECKLIST

A copy of this checklist should be placed in each Developer file. Underwriter should notate on this form the location in the application/proposal of proof of each criteria.

Program Design

1. Project must be consistent with the current or upcoming (one year) Five Year Consolidated Plan
2. Financials indicate the project has long-term operability based on reasonable expectations of cost increases and standard lease-up history for the population and area.
3. Project procedures ensure Fair and Equitable leasing practices

Expertise

1. The Developer has experience with similar projects
2. The Developer's team, including Builder and Management Company, have experience with similar sized projects

Capacity

1. Either the Developer has experience managing similar sized projects or has contracted with a Property Management Company with experience in similar sized projects or same population.
2. Financial documents demonstrate capacity to both construct and operate the project, with adequate maintenance and contingency lines.

Adequacy of Space and Infrastructure

1. The project is right-sized for the population and the geographic location.
2. Adequate infrastructure is present or an agreement to provide is in place with a local entity.

Accessibility to Target Population

1. A formal Market Analysis, conducted within the last three years, is provided and demonstrates a need for the project.
2. An Outreach Plan is provided demonstrating appropriate methods for contacting the target population.
3. Proposed location of the project is easily accessible by road and/or by foot to goods and services.
4. Units are designed to be accessible according to the needs of the target population.

Budget

1. Costs per unit comply with rules of the funding source.
2. Costs are reasonable to provide decent, safe, sanitary housing with competitive amenities appropriate to the target population.
3. Budget clearly shows other funding sources.
4. Budget is structured to demonstrate financial capacity to build and operate.

Sustainability of Organization

1. The company has been in business at least five years and demonstrates stability, both financially and in leadership and geographic location of company.
2. Company can demonstrate prior projects representing the quality of its work.
3. The company has clearly written organizational policies and procedures.
4. The company has an operating reserve separate from the project operating reserve.

Past Performance

1. Construction and lease-up deadlines were met.
2. Any open compliance issues are minor and/or nearing resolution.
3. Developer/Property Management can provide positive references from communities hosting prior projects.

Grantee SF-424's and Certification(s)

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about --
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will --
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

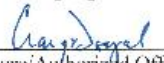
Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.


Signature/Authorized Official

JUL 14 2015
Date

County Judge
Title

Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available;
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) , (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments.** It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R;

Compliance with Laws -- It will comply with applicable laws.


Signature/Authorized Official


JUL 14 2015
Date

County Judge
Title

OPTIONAL CERTIFICATION CDBG

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having a particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.


Signature/Authorized Official

JUL 14 2015
Date

County Judge
Title

Specific HOME Certifications


The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.


Signature/Authorized Official

JUL 14 2015
Date

County Judge
Title

ESG Certifications

The Emergency Shelter Grantee certifies that:

Major rehabilitation/conversion -- It will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the jurisdiction plans to use funds for rehabilitation (other than major rehabilitation or conversion), the applicant will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services and Operating Costs -- Where assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance.

Matching Funds -- It will obtain matching amounts required under 24 CFR 576.51.

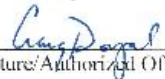
Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, operating facilities, and providing services assisted through this program.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

Discharge Policy ---- It has established a policy for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

HMIS -- It will comply with HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.


Signature/Authorized Official

JUL 14 2015
Date

County Judge
Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

501 N. Thompson, Suite 200
Conroe, TX 77301

Check ☐ if there are workplaces on file that are not identified here.

The certification with regard to the drug-free workplace is required by 24 CFR part 24, subpart F.

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of not contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

**Applicant Assurances
and Certifications**

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2501-0017
(expires 01/31/2016)

Instructions for the HUD-424-B Assurances and Certifications

As part of your application for HUD funding, you, as the official authorized to sign on behalf of your organization or as an individual must provide the following assurances and certifications. By submitting this form, you are stating that to the best of your knowledge and belief, all assertions are true and correct.

As the duly authorized representative of the applicant, I certify that the applicant [Insert below the Name and title of the Authorized Representative, name of Organization and the date of signature]:

Name: Craig Doyal Title: County Judge
Organization: Montgomery County Date: 07/14/2015

1. Has the legal authority to apply for Federal assistance, has the institutional, managerial and financial capability (including funds to pay the non-Federal share of program costs) to plan, manage and complete the program as described in the application and the governing body has duly authorized the submission of the application. Including these assurances and certifications, and authorized me as the official representative of the applicant to act in connection with the application and to provide any additional information as may be required.
2. Will administer the grant in compliance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d)) and implementing regulations (24 CFR Part 1), which provide that no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance OR if the applicant is a Federally recognized Indian tribe or its tribally designated housing entity, is subject to the Indian Civil Rights Act (25 U.S.C. 1301-1303).
3. Will administer the grant in compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, and implementing regulations at 24 CFR Part 8, and the Age Discrimination Act of 1975 (42 U.S.C. 6101-07), as amended, and implementing regulations at 24 CFR Part 148 which together provide that: no person in the United States shall, on the grounds of disability or age, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity that receives Federal financial assistance; except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.
4. Will comply with the Fair Housing Act (42 U.S.C. 3601-19), as amended, and the implementing regulations at 24 CFR Part 100, which prohibited discrimination in housing on the basis of race, color, religion, sex, disability, familial status, or national origin; except an applicant which is an Indian tribe or its instrumentality which is excluded by statute from coverage does not make this certification; and further except if the grant program authorizes or limits participation to designated populations, then the applicant will comply with the nondiscrimination requirements within the designated population.

5. Will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4801) and implementing regulations at 49 CFR Part 24 and 24 CFR 42, Subpart A.

6. Will comply with the environmental requirements of the National Environmental Policy Act (42 U.S.C. 4321 et seq.) and related Federal authorities prior to the commitment or expenditure of funds for property acquisition and physical development activities subject to implementing regulations at 24 CFR parts 50 or 58.

7. That no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LI Disclosure Form to Report Lobbying. I certify that I shall require all sub awardees at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly.

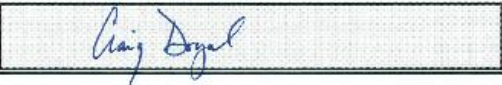
Federally recognized Indian Tribes and tribally designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage by the Byrd Amendment, but State-recognized Indian tribes and TDHEs established under State law are not excluded from the statute's coverage.

These certifications and assurances are material representations of the fact upon which HUD can rely when awarding a grant. If it is later determined that the applicant, knowingly made an erroneous certification or assurance, I may be subject to criminal prosecution. HUD may also terminate the grant and take other available remedies.

(form HUD-424-B (02/2004))

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		
* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision		
* If Revision, select appropriate option(s): <input type="checkbox"/> Other (Specify):		
* 3. Date Received: 08/18/2015		
4. Applicant Identifier: 15-CC-42000		
5a. Federal Entity Identifier:		5b. Federal Award Identifier:
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
* a. Legal Name: Montgomery County		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 77-0000000		* c. Organizational DUNS: 0260512762000
d. Address:		
* Street 1:	501 W. Thompson	
* Street 2:	Suite 200	
* City:	Conroe	
* County/Parish:	Montgomery	
* State:	TX: 0000	
* Province:		
* Country:	USA: UNITED STATES	
* Zip/Postal Code:	75301-2500	
e. Organizational Unit:		
Department Name: Community Development		Division Name: CDBG
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix:	Mr.	* First Name: Joanne
Middle Name:		
* Last Name:	Cochran	
Suffix:		
Title:	Community Development Director	
Organizational Affiliation:		
* Telephone Number:	281-442-1152	Fax Number: 281-533-8061
* Email:	joanne.cochran@mccl.com	

Application for Federal Assistance SF-424	
* 9. Type of Applicant 1: Select Applicant Type: <input type="text" value="B: County Government"/>	
Type of Applicant 2: Select Applicant Type: <input type="text"/>	
Type of Applicant 3: Select Applicant Type: <input type="text"/>	
* Other (specify): <input type="text"/>	
* 10. Name of Federal Agency: <input type="text" value="U.S. Dept. of Housing and Urban Development"/>	
11. Catalog of Federal Domestic Assistance Number: <input type="text" value="14.213"/>	
CFDA Title: <input type="text" value="Community Development Block Grant Program"/>	
* 12. Funding Opportunity Number: <input type="text"/>	
* Title: <input type="text"/>	
13. Competition Identification Number: <input type="text"/>	
Title: <input type="text"/>	
14. Areas Affected by Project (Cities, Counties, States, etc.): <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="Cancel"/>	
* 15. Descriptive Title of Applicant's Project: <input type="text" value="FY 2015 Community Development Block Grant Program"/>	
Attach supporting documents as specified in agency instructions. <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="Cancel"/>	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: <input type="text" value="TX-004"/>	* b. Program/Project: <input type="text" value="n: 00"/>
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
17. Proposed Project:	
* a. Start Date: <input type="text" value="10/01/2013"/>	* b. End Date: <input type="text" value="05/30/2016"/>
18. Estimated Funding (\$):	
* a. Federal	<input type="text" value="0,172,600.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="0,172,600.00"/>
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/> . <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," provide explanation and attach <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001) <input checked="" type="checkbox"/> ** I AGREE <small>** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.</small>	
Authorized Representative:	
Prefix: <input type="text"/>	* First Name: <input type="text" value="Craig"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Dwyer"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="County Judge"/>	
* Telephone Number: <input type="text" value="936-539-7810"/>	Fax Number: <input type="text"/>
* Email: <input type="text" value="CoJudge@metz.org"/>	
* Signature of Authorized Representative: 	* Date Signed: <input type="text" value="7-14-2015"/>


Application for Federal Assistance SF-424			
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	
		* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>	
* 3. Date Received: 02/10/2015		4. Applicant Identifier: 8-15-70-48-5012	
5a. Federal Entity Identifier: <input type="text"/>		5b. Federal Award Identifier: <input type="text"/>	
State Use Only:			
6. Date Received by State: <input type="text"/>		7. State Application Identifier: <input type="text"/>	
6. APPLICANT INFORMATION:			
* a. Legal Name: Montgomery County			
* b. Employer/Taxpayer Identification Number (EIN/TIN): 14-000558		* c. Organization DUNS: 02051070000	
d. Address:			
* Street 1: 501 A Thompson		<input type="text"/>	
Street 2: Suite 200		<input type="text"/>	
* City: Conroe		<input type="text"/>	
County/Parish: Montgomery		<input type="text"/>	
* State: <input type="text"/>		* ZIP Code: <input type="text"/>	
Province: <input type="text"/>		<input type="text"/>	
* Country: <input type="text"/>		* Country Code: USA: UNITED STATES	
* Zip / Postal Code: 77301-2900		<input type="text"/>	
e. Organizational Unit:			
Department Name: Community Development		Division Name: BSA	
f. Name and contact information of person to be contacted on matters involving this application:			
Prefix: Dr.		* First Name: Joanne	
Middle Name: <input type="text"/>		<input type="text"/>	
* Last Name: Buchanan		<input type="text"/>	
Suffix: <input type="text"/>		<input type="text"/>	
Title: Community Development Director			
Organizational Affiliation: <input type="text"/>			
* Telephone Number: 936-440-7100		Fax Number: 936-530-8367	
* Email: Joanne.Buchanan@mcgov.org			

Application for Federal Assistance SF-424		
* 9. Type of Applicant 1: Select Applicant Type:		
<input type="text" value="U: County Government"/>		
Type of Applicant 2: Select Applicant Type:		
<input type="text"/>		
Type of Applicant 3: Select Applicant Type:		
<input type="text"/>		
* Other (specify):		
<input type="text"/>		
* 10. Name of Federal Agency:		
<input type="text" value="U.S. Dept. of Housing and Urban Development"/>		
11. Catalog of Federal Domestic Assistance Number:		
<input type="text" value="14.251"/>		
CFDA Title:		
<input type="text" value="Emergency Solutions Grant Program"/>		
* 12. Funding Opportunity Number:		
<input type="text"/>		
* Title:		
<input type="text"/>		
13. Competition Identification Number:		
<input type="text"/>		
Title:		
<input type="text"/>		
14. Areas Affected by Project (Cities, Counties, States, etc.):		
<input type="text"/> <input type="button" value="Add this area"/> <input type="button" value="Delete this area"/> <input type="button" value="Cancel"/>		
* 15. Descriptive Title of Applicant's Project:		
<input type="text" value="FY 2015 Community Development ESG Program"/>		
Attach supporting documents as specified in agency instructions.		
<input type="button" value="Add attachments"/> <input type="button" value="Delete attachments"/> <input type="button" value="Cancel"/>		

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: TX 008	* b. Program/Project: 02 08
Attach an additional list of Program/Project Congressional Districts if needed. <input style="width: 150px;" type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
17. Proposed Project:	
* a. Start Date: 10/01/2015	* b. End Date: 09/30/2016
18. Estimated Funding (\$):	
* a. Federal	190,017.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	190,017.00
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input style="width: 50px;" type="text"/> <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach <input style="width: 150px;" type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. "By signing this application, I certify (1) to the statements contained in the list of certifications" and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances" and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1001) <input checked="" type="checkbox"/> ** I AGREE <small>** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.</small>	
Authorized Representative:	
Prefix: <input style="width: 100px;" type="text"/>	* First Name: Craig
Middle Name: <input style="width: 150px;" type="text"/>	
* Last Name: Doyle	
Suffix: <input style="width: 100px;" type="text"/>	
* Title: County Judge	
* Telephone Number: 336-533-7817	Fax Number: <input style="width: 100px;" type="text"/>
* Email: OnTudge@mcclung.org	
* Signature of Authorized Representative:	* Date Signed: 7-14-2015

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		
* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision		
* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>		
* 3. Date Received: <input type="text" value="8/17/2015"/>		4. Applicant Identifier: <input type="text" value="X-13-JC 45 0234"/>
5a. Federal Entity Identifier: <input type="text"/>		5b. Federal Award Identifier: <input type="text"/>
State Use Only: 6. Date Received by State: <input type="text"/> 7. State Application Identifier: <input type="text"/>		
8. APPLICANT INFORMATION:		
* a. Legal Name: <input type="text" value="Montgomery County"/>		
* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="780005558"/>		* c. Organization DUNS: <input type="text" value="028651246000"/>
d. Address:		
* Street: <input type="text" value="601 N Thompson"/>		
Suite: <input type="text" value="Suite 200"/>		
* City: <input type="text" value="Denise"/>		
County/Parish: <input type="text" value="Montgomery"/>		
* State: <input type="text" value="TX: TEXAS"/>		
Province: <input type="text"/>		
* Country: <input type="text" value="USA: UNITED STATES"/>		
* Zip / Postal Code: <input type="text" value="77301-2500"/>		
e. Organizational Unit:		
Department Name: <input type="text" value="Community Development"/>		Division Name: <input type="text" value="ECON"/>
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: <input type="text" value="Dr."/> * First Name: <input type="text" value="Cosme"/>		
Middle Name: <input type="text"/>		
* Last Name: <input type="text" value="Ducharme"/>		
Suffix: <input type="text"/>		
Title: <input type="text" value="Community Development Director"/>		
Organizational Affiliation: <input type="text"/>		
* Telephone Number: <input type="text" value="936-442-7712"/>		Fax Number: <input type="text" value="936-538-3061"/>
* Email: <input type="text" value="Cosme.Ducharme@texas.gov"/>		

Application for Federal Assistance SF-424			
* 9. Type of Applicant 1: Select Applicant Type: <input type="text" value="County Government"/>			
Type of Applicant 2: Select Applicant Type: <input type="text"/>			
Type of Applicant 3: Select Applicant Type: <input type="text"/>			
* Other (specify): <input type="text"/>			
* 10. Name of Federal Agency: <input type="text" value="U.S. Dept. of Housing and Urban Development"/>			
11. Catalog of Federal Domestic Assistance Number: <input type="text" value="14.239"/>			
CFDA Title: <input type="text" value="HOME Investment Partnership Program"/>			
* 12. Funding Opportunity Number: <input type="text"/>			
* Title: <input type="text"/>			
13. Competition Identification Number: <input type="text"/>			
Title: <input type="text"/>			
14. Areas Affected by Project (Cities, Counties, States, etc.): <input type="text"/> <input type="text" value="Los Angeles"/> <input type="text" value="San Diego"/> <input type="text" value="San Francisco"/>			
* 15. Descriptive Title of Applicant's Project: <input type="text" value="FY 2013 Community Development HOME Program"/>			
Attach supporting documents as specified in agency instructions. <input type="text" value="Financial Statements"/> <input type="text" value="Budget"/> <input type="text" value="Other Documents"/>			

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: TX-008	* b. Program/Project: 00 08
Attach an additional list of Program/Project Congressional Districts if needed. <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="text-align: right; padding-top: 5px;"> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div>	
17. Proposed Project:	
* a. Start Date: 10/01/2015	* b. End Date: 09/30/2016
18. Estimated Funding (\$):	
* a. Federal	442,085.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	442,085.00
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="text-align: right; padding-top: 5px;"> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/> </div>	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001) <input checked="" type="checkbox"/> ** I AGREE <small>** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.</small>	
Authorized Representative:	
Prefix: 	* First Name: Craig
Middle Name: 	
* Last Name: Doyle	
Suffix: 	
* Title: County Judge	
* Telephone Number: 936-639-7802	Fax Number:
* Email: CoJudge@hctx.org	
* Signature of Authorized Representative: 	* Date Signed: 7-14-2015