



COMMUNITY DEVELOPMENT AND HOUSING

CONSOLIDATED ACTION PLAN

2020

OCTOBER 01, 2020 – SEPTEMBER 30, 2021

Mark Keough

Mike Meador, Commissioner

Charlie Riley, Commissioner

James Noack, Commissioner

James Metts, Commissioner

County Judge

Precinct 1

Precinct 2

Precinct 3

Precinct 4

Joanne Ducharme, Ph.D., Director

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1. Grantee SF-424's and Certification(s)

2. Citizen Participation – Public Notices & Public Comments

3. Appendices:

- **APPENDIX A** - ACCOUNTING PROCEDURES MANUAL FOR MCTX
- **APPENDIX B** - ACRONYMS GUIDE
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- **APPENDIX D** - ANTI-DISPLACEMENT AND RELOCATION PLAN
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- **APPENDIX DD** - PURCHASING MANUAL-PROCUREMENT CREDIT CARD P&P FOR MCTX
- **APPENDIX EE** - RED FLAG POLICY FOR MCCD
- **APPENDIX EE** – LEAD BASED PAINT P&P

Executive Summary

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

1. Introduction

FY 2020 is the second year of the current 5-Year Consolidated Plan. Commissioners, Advisory Council and staff, with input from the community, prioritized services which foster independent living.

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 2020 focuses primarily on independent living, but also covers other needed services, particularly to special needs populations, such as the elderly, disabled, and abused children. In Capital projects, CDBG funds are allocated to a nonprofit to acquire a building to repurpose into a homeless family shelter, provide funding to a nonprofit to construct a center for the homeless, and to a nonprofit shelter for structural needs. Housing demolition also continues, although no funds were allocated to this program because it has achieved self-funding through program income. No funding was allocated to the internal housing rehabilitation program this year because it has ample funding swept into the budget from prior years. HOME funds are allocated to the down payment assistance program. HOME CHDO setaside funds plus additional HOME funds are allocated to construct single family housing for sale to the general low income population. Both HOME funded projects are designed to address critical affordable housing shortages in the county, and to foster self sufficiency. In the case of the CHDO, the funds also go to a job skills training program. ESG funds are awarded to one shelter assisting homeless youth and one assisting homeless families, plus an organization which provides homelessness prevention and rapid re-housing to 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 began a new large project at Youth Services to build shelter capacity for a facility for homeless youth. This project is slated for completion in July. Final payment was also made on a community center in the northwest portion of the county. In the eastern portion of the County, construction of a park is underway in a low/mod income area. Construction has begun on a community center expansion and planning has commenced for new construction of a community center in the west portion of the county. The addition of an outside housing rehab program to supplement the county program is underway. Countywide, HOME funds from prior years continue to be successfully used for down payment assistance to first-time homebuyers.

Demolition and rehab also continue as successful programs throughout the county. Demolition in particular has been so successful and so high profile that it is now operating completely on program income. In addition, MCCC added it's first Lead Based Paint grant this year and has begun standing up that program -- stalled by the pandemic but still in the works.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The Citizen Participation Plan is attached. Because of the pandemic, the Department did not conduct live public hearings to hear presentations on applications for funding. Instead, every agency sent in applications and supporting documentation electronically, plus a video or powerpoint presentation which they would have presented live. The 10 member appointed Citizens Advisory Committee reviewed all application materials and sent recommendations electronically. After formulation of the plan, a followed by a public hearing was conducted 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. Although HUD granted pj's a waiver to shorten the public comment period, MCCD was able to host the full comment period prior to submitting this Annual Plan to HUD.

The Plan was made available to the public for their review and comment beginning June 28, 2020 and ending July 10, 2020. 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 9, 2020.

Conroe Courier- June 28, 2020, July 6, 2020, July 9, 2020

El Sol- July 3, 2020

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.

There were no public comments on the Annual Action Plan.

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 that were not accepted.

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	MONTGOMERY COUNTY	Community Development
HOPWA Administrator		
HOME Administrator	MONTGOMERY COUNTY	Community Development
ESG Administrator	MONTGOMERY COUNTY	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. Members of the Affirmatively Furthering Fair Housing Committee and the member agencies of the Homeless Coalition gave input regarding the needs of minorities, elderly, disabled, and low income in the community, specifically for housing.

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 when they match the goals of the Consolidated Plan. Three projects were reviewed in Montgomery County in FY 2020, and two were recommended to the State. 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 group home, shelter, and transitional housing for the homeless with wraparound services provided by agencies coordinated within a central homeless intake system.

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. The director of MCCD sits on the board of directors of the Houston Coalition for the Homeless. 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, ESG, and ESG-CV 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 Houston Coalition for the Homeless wholly operates the HMIS without input from the County, except that MCCD requires all recipients of ESG, ESG-CV and certain CDBG and HOME funds to participate in HMIS. As a result of Coalition input, in FY 2020 MCCD is funding a youth shelter with ESG and reconstruction of a youth shelter with CDBG, allocated prior year HOME funds for transitional housing for former felons exiting the prison system into homelessness, and put CDBG, ESG and ESG-CV funds toward sheltering homeless families. In addition, CDBG Capital funds are allocated to construct a day center for chronically homeless adults.

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	The Friendship Center
	Agency/Group/Organization Type	Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Now Meals on Wheels, were consulted regarding needs during Quarantine, also housing conditions for the Lead Based Paint program.
2	Agency/Group/Organization	Montgomery County Youth Services
	Agency/Group/Organization Type	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?	Enhanced services to homeless families and youth, more focus on youth aging out of foster care.
3	Agency/Group/Organization	Habitat for Humanity
	Agency/Group/Organization Type	Housing Services - Housing Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Anti-poverty Strategy Lead-based Paint Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Will be collaborating to enhance rehabilitation of more derelict housing.
4	Agency/Group/Organization	Coalition for the Homeless of Houston/Harris County
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless Regional organization
	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 Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	MCCD is a member of the steering committee for this regional CoC and determines use of funds in consultation and coordination.

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

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	Houston Coalition for the Homeless	We fund Rapid Re Housing and Homelessness Prevention

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Covid-19 Plan	Community Development	CARES Act funds enabled furtherance of Five-Year goals for a homeless day center, emergency financial assistance and additional Rapid Re-housing.
Local Hazard Mitigation Plan	Office of Emergency Management	A key component of the plan for CDBG-DR funds for 2016 and 2017 is to conduct buyouts of flooded homes. This has impacted the stock of affordable housing in the area.

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.

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 the current fiscal 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.

For FY2020, we had to change the normal process due to the COVID-19 Pandemic. The Montgomery County Judge issued an Order Affecting the Occupancy of Premises within Montgomery County, and public gatherings were prohibited. We were able to relay to non-profit agencies that their applications would need to be submitted virtually by email. We were able to accommodate agencies that needed to submit theirs in person.

Additionally, for safety reasons, the Advisory Committee also were able to receive and review the applications online. All were able to enter into discussion and submit their recommendations via email.

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	Internet Outreach	Non-targeted/broad community	On January 29, 2020, the FY 2020 Applications for CDBG/HOME/ESG were posted on the Montgomery County Community Development website. Additionally, a mass email blast was sent that same day to our large email contact list which included non-profit agencies located in Montgomery County.	No Comments Received		www.mctx.org

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)
2	Newspaper Ad	Non-targeted/broad community	On January 30, 2020, a Newspaper public notice appeared in the Conroe Courier, notifying the public of the availability of the FY 2020 Applications for CDBG/HOME/ESG for non-profit agencies and the due date of March 30, 2020.	No Comments Received		

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	Outreach canceled due to COVID-19 pandemic	Cancellation due to COVID-19 Pandemic	Newspaper public notices were scheduled to appear in the Conroe Courier notifying the public of the presentations of applicants' proposed projects & encouraging public comment. However, due to the Corona Virus pandemic, Montgomery County Judge issued Order Affecting Occupancy of Premises w/in Montgomery County, notices & public hearings were canceled.	No Comments Received		
OMB Control No: 2506-0117 (exp. 06/30/2018)						
				Annual Action Plan 2020		12

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)
4	Newspaper Ad	Non-targeted/broad community	Newspaper notices appeared on June 28, 2020, July 6, 2020 and July 9, 2020, in the Conroe Courier newspaper to notify public of a ZOOM public hearing and comment period to review the proposed FY 2020 Annual Plan.	No Comments Received		

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	Newspaper notices appeared on July 3, 2020, in the El Sol newspaper to notify public of a ZOOM public hearing and comment period to review the proposed FY 2020 Annual Plan.	No Comments Received		
6	Public Hearing	Non-targeted/broad community	The FY2020 Annual Plan was presented in a ZOOM public meeting on July 09, 2020.	No Comments Received		Join Zoom Meeting https://zoom.us/j/97659240693?pwd=UlhSL09ocVY2ZGIEVWRicVk4T2piQT09 Meeting ID: 976 5924 0693 Password: mccd

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	Public Meeting	Non-targeted/broad community	The proposed FY 2020 Annual Plan was submitted to the Commissioner's Court on July 14, 2020, for approval prior to submission to HUD. The Court docket also includes a public comment period for anyone wishing to address any concerns regarding anything on the docket.	No Comments Received		

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

Compared to prior years, in FY 2020, Montgomery County's CDBG allocation increased, due to rapid population growth in the county. Both the HOME grant and the Emergency Solutions Grant for homeless also increased, with HOME increasing dramatically.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder 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	2,789,509	0	0	2,789,509	7,793,952	CDBG allocations for the county continue to rise, because the county is growing rapidly. However, for conservative budgeting, long term estimates are for level funding.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder 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	689,810	0	0	689,810	2,064,698	HOME funds tend to steadily increase, however are estimated for level funding.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder 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	224,890	0	0	224,890	655,098	ESG funds tend to steadily increase, however are estimated for level funding.
Other	public - local	Admin and Planning	1,000	0	0	1,000	4,000	Montgomery County allocats a small amount of General Funds to Community Development. These funds are for such incidentals as water for the use of staff, and other small purchases not authorized by federal funding rules.

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

Community Development receives \$950 in local funding from Montgomery County. The entire department operates off federal funds and small

amounts of program income which occasionally come in due to an unforeseen foreclosure or other unusual circumstance. Match requirements are passed to the subrecipients of HOME and ESG funds, and must be committed and described in the funding application. Match is received and booked with each request for a draw. Most projects require that the subrecipient add additional funds for the total construction or operating budget. While not Match, the federal funds are generally committed to projects up front in order to prove to other potential donors that the project has been properly vetted and the county considers it viable. This assists the subrecipients with capital campaigns.

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

At this time, there are no projects which would benefit from the use of publically owned land or property. In the recent past, a county facility was rehabilitated and converted to a medical clinic for the indigent, using CDBG funds. In the future, it is possible that some of the properties bought out in the Hurricane Harvey Buyout Program will be put to use for parks or other appropriate facilities.

Discussion

Community Development is able to make use of CDBG and HOME funds for capital projects by committing to multi-year funding and multi-year mortgages. Single year allocations are rarely sufficient for the scale of project needed to assist local residents.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

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: \$1,188,187	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 300 Persons Assisted Public service activities other than Low/Moderate Income Housing Benefit: 970 Persons Assisted
2	Support for Homeless	2013	2015	Homeless	County Wide Service or Project	Homelessness Low Income Children	ESG: \$219,997	Public service activities other than Low/Moderate Income Housing Benefit: 20 Persons Assisted Tenant-based rental assistance / Rapid Rehousing: 50 Households Assisted Homeless Person Overnight Shelter: 221 Persons Assisted Homelessness Prevention: 50 Persons Assisted

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	County Wide Service or Project	Low Income Children Low Income In Economic Distress	CDBG: \$865,201 HOME: \$280,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1200 Persons Assisted
4	Housing Development and Improvement	2013	2017	Affordable Housing	County Wide Service or Project	Elderly/Disabled Low Income Children Low Income In Economic Distress	HOME: \$150,000	Homeowner Housing Added: 1 Household Housing Unit Homeowner Housing Rehabilitated: 4 Household Housing Unit Direct Financial Assistance to Homebuyers: 10 Households Assisted Buildings Demolished: 10 Buildings
5	Economic Development	2013	2017	Job Skills Training	County Wide Service or Project	Low Income In Economic Distress	CDBG: \$25,000	Public service activities other than Low/Moderate Income Housing Benefit: 42 Persons Assisted

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Infrastructure & Support for Special Needs
	Goal Description	<p>Attending to those in the County with special needs, including disabled, elderly and child victims, is still a high priority with residents. Community Development will provide public service funds to an organization which helps special needs youth acquire a GED, and for counseling and advocacy for child victims of sexual abuse.</p> <p>Elderly in the county will benefit from services provided by Meals on Wheels (Area Agency on Aging), funded by Community Development, specifically transportation needs. In addition, the County plans to provide an approximately \$1.3 million capital investment in an expanded kitchen for preparation of meals to be delivered to approximately double the current number of elderly.</p>
2	Goal Name	Support for Homeless
	Goal Description	<p>In FY 2018, Community Development will focus on providing ESG funding to a shelter which manages youth and a shelter which manages single mothers and their children.</p> <p>Public Assistance funds are set aside for a nonprofit which provides eye exams and glasses for homeless children.</p>
3	Goal Name	Community Development Service and Infrastructure
	Goal Description	During FY 2018, Community Development will provide Public Service funds to a nonprofit clinic which provides low and no cost dental care to families in East Montgomery County. Two agencies will receive Public Service funds to provide emergency rent, utility and prescription assistance to At-Risk families throughout the county.
4	Goal Name	Housing Development and Improvement
	Goal Description	In FY 2018, Community Development will continue providing Rehabilitation of low income owner-occupied units, demolition of abandoned units, and funds to a nonprofit to assist low income families with down payment assistance. In addition, a CHDO will be funded to construct single-family housing for sale to low income households. The CHDO trains youth in construction skills as part of this project.

5	Goal Name	Economic Development
	Goal Description	Economic Development activities in FY 2018 center on job skills training. Two organizations will be funded, one to provide construction job skills training to youth, and the other to provide OSHA Safety Classes and preparatory classes for taking jobs in industry.

Projects

AP-35 Projects – 91.220(d)

Introduction

The County has established multiple goals and objectives to work on over the course of the 5-Year Consolidated Plan. The activities to be undertaken specifically during FY 2020 further those goals and objectives.

Projects

#	Project Name
1	CDBG Administration
2	Treehouse Capital
3	Compassion United Day Center
4	Family Promise Shelter
5	Access Builds Children
6	Children's Books on Wheels
7	Children's Safe Harbor
8	Educational Outcomes
9	Inspiration Ranch
10	Keep Us Fed
11	Lonestar Family Health
12	Meals on Wheels
13	Mission NE
14	Society of Saint Vincent de Paul
15	Society of Samaritans
16	TOMAGWA
17	HOME Administration
18	CHDO
19	EasterSeals
20	ESG20 Community Development

Table 7 - Project Information

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

Community Development disperses Public Service funds to a wide array of nonprofits, covering the major identified needs of low income persons in the county. In an attempt to cover all residents in need, funding has been provided for abused and neglected children, elderly, homeless youth, emergency

financial assistance, homeless families, disabled persons, and job skills training. Capital projects address stated priorities to assist with providing services to elderly, disabled, homeless families, as well as job skills training and employment opportunity. Housing projects continue to focus on remediation of existing housing conditions and development of new affordable housing, both rental and owner-occupied. The primary obstacle to addressing underserved needs is lack of funding. By supporting nonprofits, who operate with many volunteers, more services can be provided.

AP-38 Project Summary
Project Summary Information

1	Project Name	CDBG Administration
	Target Area	County Wide Service or Project
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$557,901
	Description	20% admin allowance for salaries, supplies and other expenses to operate the CDBG program.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	NA
	Location Description	Countywide
	Planned Activities	General administrative functions
2	Project Name	Treehouse Capital
	Target Area	County Wide Service or Project
	Goals Supported	Support for Homeless
	Needs Addressed	Homelessness
	Funding	CDBG: \$14,200
	Description	Public Service funds to provide new flooring for a homeless shelter for teen girls.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	25 unaccompanied female homeless youth.
	Location Description	countywide.
	Planned Activities	Shelter facility is aging and needs new flooring to remain safe.
3	Project Name	Compassion United Day Center
	Target Area	County Wide Service or Project
	Goals Supported	Support for Homeless

	Needs Addressed	Homelessness
	Funding	CDBG: \$1,250,000
	Description	CDBG Capital funds for construction of a day center for chronically homeless men.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	200 chronically homeless persons per year, predominantly men, will be assisted.
	Location Description	Countywide
	Planned Activities	Construction of a day center where chronically homeless individuals can receive meals, case management, and access to support facilities during the day. This is not an overnight shelter.
4	Project Name	Family Promise Shelter
	Target Area	County Wide Service or Project
	Goals Supported	Support for Homeless
	Needs Addressed	Homelessness
	Funding	CDBG: \$548,982
	Description	Acquisition of an office facility to be repurposed into a homeless family shelter using ESG-CV Round 2 funds. The shelter will temporarily house an estimated 8 families at a time.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Up to 8 homeless families at a time, up to 32 homeless families per year
	Location Description	Conroe
	Planned Activities	Acquisition of a building to be repurposed into a homeless family shelter using ESG-CV Round 2 funds.
5	Project Name	Access Builds Children
	Target Area	County Wide Service or Project
	Goals Supported	Community Development Service and Infrastructure

	Needs Addressed	Low Income Children
	Funding	CDBG: \$20,000
	Description	Public Service funds to an agency which provides court ordered supervised visitation for minor children.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	944 individuals in 300 divorced families.
	Location Description	Countywide
	Planned Activities	Salaries for trained personnel to supervise visitation between children and non custodial parents.
6	Project Name	Children's Books on Wheels
	Target Area	Precinct Four
	Goals Supported	Economic Development
	Needs Addressed	Low Income In Economic Distress
	Funding	CDBG: \$25,000
	Description	Public Service funds to an agency which provides OSHA certification as a job skills training to economically underprivileged youth.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	200 individuals will receive training, which is equivalent to 200 families benefitting.
	Location Description	Tamina.
	Planned Activities	Salary of trainer for OSHA certification training provided to low income youth to assist in acquiring jobs in industry.
7	Project Name	Children's Safe Harbor
	Target Area	County Wide Service or Project
	Goals Supported	Community Development Service and Infrastructure
	Needs Addressed	Low Income Children

	Funding	CDBG: \$70,000
	Description	Salaries for family advocates at a center specializing in assisting children who have been sexually assaulted.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	3180 children in 3180 families. Unfortunately, this program has grown exponentially as the county and the internet have grown and awareness of child sexual predators has developed.
	Location Description	Countywide
	Planned Activities	Salaries for family advocates, who assist the families and children through the therapeutic, medical and legal systems.
8	Project Name	Educational Outcomes
	Target Area	County Wide Service or Project
	Goals Supported	Community Development Service and Infrastructure
	Needs Addressed	Low Income Children
	Funding	CDBG: \$55,000
	Description	Public Service funding to an agency which provides trauma-informed GED preparation to troubled youth and young adults.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	150 youth in 150 families. Many are homeless.
	Location Description	Countywide.
	Planned Activities	Payment for tutors to provide trauma-informed GED preparation and salary for program manager.
9	Project Name	Inspiration Ranch
	Target Area	Magnolia
	Goals Supported	Infrastructure & Support for Special Needs
	Needs Addressed	Elderly/Disabled
	Funding	CDBG: \$20,000

	Description	Public Service funds to pay Rent, utilities, supplies for a center which provides therapeutic equestrian activities for brain injured children.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	125 children in 125 families.
	Location Description	Magnolia.
	Planned Activities	Coverage of facility operating expenses to assist brain injured and autistic children to learn better coordination, social skills and enhance intellectual capacity through interaction with horses.
10	Project Name	Keep Us Fed
	Target Area	County Wide Service or Project
	Goals Supported	Support for Homeless
	Needs Addressed	Homelessness
	Funding	CDBG: \$25,000
	Description	Public Service funds to a nonprofit which collects leftover meals from large events and delivers to local homeless shelters.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	2200 meals served.
	Location Description	Countywide
	Planned Activities	Funds for a volunteer coordinator to recruit, train and dispatch volunteers to pick up and deliver prepared meals leftover from large events at major resorts and convention centers.
11	Project Name	Lonestar Family Health
	Target Area	Precinct Four
	Goals Supported	Community Development Service and Infrastructure
	Needs Addressed	Elderly/Disabled Low Income Children

	Funding	CDBG: \$25,000
	Description	Public Service funds for a nonprofit dental facility.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	80 individuals in 80 families will benefit from dental care.
	Location Description	East Montgomery County.
	Planned Activities	Public Service funds to provide supplies for a dental clinic run by a nonprofit.
12	Project Name	Meals on Wheels
	Target Area	County Wide Service or Project
	Goals Supported	Infrastructure & Support for Special Needs
	Needs Addressed	Elderly/Disabled
	Funding	CDBG: \$75,000
	Description	Local Area Agency on Aging which prepares and delivers hot meals to home-bound seniors daily, and provides on-demand rides to elderly and disabled to various medical and support businesses.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	50 elderly individuals in 50 households.
	Location Description	Countywide
	Planned Activities	Public Service funds to pay salaries of drivers for on-demand transportation for seniors and disabled.
13	Project Name	Mission NE
	Target Area	Precinct Four
	Goals Supported	Community Development Service and Infrastructure
	Needs Addressed	
	Funding	CDBG: \$15,992

	Description	Emergency Financial assistance and food/clothing pantry for low income residents in economic distress.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	24000 individuals in 6000 families.
	Location Description	East County
	Planned Activities	Public Service funds to replace an aging walk in freezer for the food distribution program.
14	Project Name	Society of Saint 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: \$31,217
	Description	Agency providing emergency financial assistance and food pantry to low income residents in unforeseen crisis.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	605 families in economic distress.
	Location Description	Countywide
	Planned Activities	Public Service funds to provide emergency rent, utility and/or prescription assistance to low income residents.
15	Project Name	Society of Samaritans
	Target Area	Magnolia
	Goals Supported	Community Development Service and Infrastructure
	Needs Addressed	Low Income In Economic Distress
	Funding	CDBG: \$31,217

	Description	Agency which provides emergency financial assistance and food/clothing pantry to low income residents experiencing an unforeseen financial crisis.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	800 families
	Location Description	West County
	Planned Activities	Public Service funds to provide rent, utility and/or prescription assistance to local low income residents in unforeseen financial crisis.
16	Project Name	TOMAGWA
	Target Area	Magnolia Montgomery
	Goals Supported	Community Development Service and Infrastructure
	Needs Addressed	Low Income In Economic Distress Elderly/Disabled Low Income Children
	Funding	CDBG: \$25,000
	Description	Nonprofit medical outpatient clinic providing medical, dental and limited other physician services to low income locals.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	250 low income families
	Location Description	West County
	Planned Activities	Public Service funds to provide for rent, utility and supplies for a nonprofit medical facility.
17	Project Name	HOME Administration
	Target Area	County Wide Service or Project
	Goals Supported	
	Needs Addressed	

	Funding	HOME: \$68,981
	Description	Costs to administer the HOME program.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	NA
	Location Description	NA
	Planned Activities	
18	Project Name	CHDO
	Target Area	Montgomery
	Goals Supported	Housing Development and Improvement Economic Development
	Needs Addressed	Low Income In Economic Distress Elderly/Disabled Low Income Children
	Funding	HOME: \$220,829
	Description	Walker-Montgomery Community Housing Organization, part of Gulf Coast Trades, constructs single family homes for sale at reduced rates to low income residents using youth in deferred adjudication as a job skills training program.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	Four houses will be constructed.
	Location Description	West County
	Planned Activities	HOME CHDO Setaside funds plus additional dollars for materials to construct single family housing for low income residents, and as a way to provide job skills training to youth.
19	Project Name	EasterSeals
	Target Area	County Wide Service or Project

	Goals Supported	Housing Development and Improvement
	Needs Addressed	Low Income In Economic Distress Elderly/Disabled Low Income Children
	Funding	HOME: \$400,000
	Description	Nonprofit organization providing services to disabled children, plus other programs of general benefit to the community.
	Target Date	9/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	27 families.
	Location Description	Countywide
	Planned Activities	Down Payment assistance up to \$14,900 for qualified low/moderate income first time homebuyers.
20	Project Name	ESG20 Community Development
	Target Area	County Wide Service or Project
	Goals Supported	Support for Homeless
	Needs Addressed	Homelessness
	Funding	ESG: \$224,890
	Description	ESG-CV Round 1 funds of \$775,483.00 to be used to prevent, prepare for, and respond to the Coronavirus. This amount is to be used for both Homelessness Prevention and Rapid Rehousing. ESG-CV Round 2 funds of \$1,310,985.00 to be used to prevent, prepare for, and respond to the Coronavirus. This amount is to be used for Emergency Shelter in an effort to help those most vulnerable to the virus. ESG 2020 Entitlement Funds of \$224,890.00: Family Promise to receive \$61,457.00. Shelter Operations \$38,310.00, Homelessness Prevention \$10,376.00, Rapid Re Housing \$10,376.00, and Admin \$2,395.00. Humble Area Assistance Ministries to receive \$50,000.00. Shelter Operations \$31,170.00, Homelessness Prevention \$8,441.00, Rapid Rehousing \$8,441.00, and Admin for \$1,948.00. Montgomery County Youth Services to receive \$105,000.00. Shelter Operations \$65,454.00, Homelessness Prevention \$17,728.00, Rapid Rehousing \$17,728.00, and Admin for \$4,090.00. MCCD to keep a total of \$8,433.00 for Administration Expenses.

	Target Date	9/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	321 individuals are anticipated to be serviced this year.
	Location Description	Services will be offered to anyone within Montgomery County.
	Planned Activities	Planned activities include Outreach/Shelter/Prevention/Re-housing/HMIS/Administrative.

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

Low income and minority residents of the county are distributed throughout this rural county. Precinct 4 has the largest number of low income persons. The City of Montgomery has one of the largest minority populations outside the City of Conroe, which is its own jurisdiction. By funding nonprofits, constructing community centers and assisting agencies with building specialized service centers, Montgomery County generally serves low income and minority residents throughout the jurisdiction.

Geographic Distribution

Target Area	Percentage of Funds
Magnolia	2
Willis	0
Precinct Four	2
County Wide Service or Project	88
Montgomery	8
Precinct 3	0

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Based on results of citizen input during the five year planning process, services leading to self sufficiency, such as job skills training, solutions to barriers, and support to homeless 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.

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.

The preponderance of services are provided by agencies who operate countywide. A Community Center located near the City of Magnolia will provide nonprofit services to locals in that fast growing rural area. A nonprofit in the central part of the county will provide services to homeless.

Discussion

Connectivity is still an issue in this large, rural county with no public transportation. Services are still sent out to the clientele, rather than vice versa. Consequently, with rare exceptions, most service agencies are structured to provide service countywide.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Affordable housing is the biggest need in Montgomery County, and since Hurricane Harvey, is reaching crisis point. Agencies are providing a great deal of rental and utility assistance and meal delivery. Rapid Rehousing of homeless is growing.

Community Development is putting increased emphasis on self-sufficiency and independent living. This includes the development of new affordable units and rehabbing derelict units which are still salvageable. The County's stated priority for the period is job skills training and eliminating barriers to self-sufficiency, including affordable housing, mental health, food insecurity, and access to needed support services.

One Year Goals for the Number of Households to be Supported	
Homeless	857
Non-Homeless	332
Special-Needs	845
Total	2,034

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	408
The Production of New Units	12
Rehab of Existing Units	5
Acquisition of Existing Units	0
Total	425

Table 10 - 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. Currently underway is a project to produce 10 units of transitional housing for former felons exiting the prison system, and the construction of affordable housing for the general low income population as a method of teaching construction skills.

The county does support the state tax credit competition when funds are available and there are applications out of Montgomery County. For FY 2020, three applications have been submitted to Montgomery County and two have been approved. The third did not match Con Plan goals.

Montgomery County's homeless population is relatively small, but the population of At Risk and non-homeless special needs is large and growing.

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

NA

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 facilitating independent living, and this action plan furthers those goals. The size of the homeless population, both actual and relative to the overall population, is small and has reduced by 50% in recent years. Job skills training, sheltering and supportive housing are the focus.

Montgomery County is focused on ending homelessness via job skills training programs, however there must be a balance of services designed to prevent and alleviate homelessness, and services which alleviate the pain and danger of homelessness while it is occurring.

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

Montgomery County Youth Services is funded for a street outreach program, which literally drives around the county to places runaways and homeless youth congregate, to assess and conduct outreach to these children. Via public service funds, two agencies are providing outreach and assisting with specific needs of the homeless. Educational Outcomes provides GED training to assist homeless in getting jobs.

ESG funds are earmarked for a homeless service agency which specializes in minors and a second agency which specializes in homeless families. Youth Services conducts outreach at locations known to be frequented by teenagers, using a van provided by CDBG. Family Promise is a coalition of area churches which take referrals from, and jointly house and support homeless families. A third agency, Humble Area Assistance Ministries, received funding to provide rapid rehousing and prevention services.

CDBG Capital funds were awarded to an agency which assists chronically homeless men. Compassion United will begin their Miracle City project with a day center for street homeless to come to during the day for services and meals. Later, the project will expand to include transitional housing. CDBG Capital funds were awarded to a second agency which assists homeless families. Family Promise will acquire a building to repurpose into a shelter using ESG-CV funds.

Addressing the emergency shelter and transitional housing needs of homeless persons

The County will fund two homeless shelters via ESG funding, and one using CDBG and ESG-CV funds. Family Promise specializes in women and children. Montgomery County Youth Services specializes in runaway and homeless youth. A third funded program, Humble Area Ministries, will focus on rapid re-

housing exclusively. With prior year HOME funds, the county is developing housing for former felons exiting the prison system into homelessness. CDBG funds will acquire a facility for Family Promise and ESG-CV funds will repurpose it into a shelter for homeless families.

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

Both shelter providers funded are required to operate a rapid re-housing component to their programs, and a third recipient of HESG will focus entirely on Rapid Re-housing.

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.

Several nonprofits funded with public service allocations in this fiscal year provide services which either prevent homelessness or address barriers to remaining employed, which also prevents homelessness. Educational Outcomes provides GED services. St. Vincent de Paul, Mission NE and SOS provide emergency rent and utility assistance. Meals on Wheels helps elderly and disabled remain in their homes and provides meals, while Keep Us Fed collects leftover prepared meals from events and distributes to shelters. Lone Star Health Center and Tomagwa are no cost medical clinics. And Children's Books on Wheels is conducting a job skills training program.

Our CHDO uses HOME funds to construct affordable housing for low income families. Prior year HOME funds are earmarked for construction of housing for ex felons exiting the corrections system.

Discussion

Montgomery County is strongly focused on homeless issues in this Action Plan.

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

Introduction:

Montgomery County formulated a new Affirmatively Furthering Fair Housing Plan in 2017, which is attached. The analysis is a mixture of data from the Census, local sources, and a targeted survey conducted by the county. The Fair Housing Advisory Committee has met since 2011 to evaluate the actions which affirmatively further fair housing across Montgomery County. A Fair Housing Liaison was appointed and is responsible for taking all incoming calls from residents who feel like they are being discriminated against by someone such as a landlord, mortgage company, property manager or bank lender. Every call is documented thoroughly. Fair Housing testing calls were conducted to a dozen apartment complexes across the county and revealed no overt acts of discrimination in regards to apartment availability, and also that the local apartment complexes do not even track race/ethnicity data on their residents. A Fair Housing committee member conducted a review of public policies and codes across Montgomery County. The results show that no barriers exist for persons with special needs anywhere in the county. Each municipality surveyed complies with the International Commercial and/or Residential Code.

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

Counties do not zone, and building codes were not found to indicate any barrier. Montgomery County has a shortage of affordable housing, and developers have focused primarily on building high end housing.

1. Montgomery County will aid in the development of more affordable housing through negotiations with builders, rehab of existing housing, and down payment assistance.
2. Montgomery County will participate in regional transportation initiatives.

Discussion:

Montgomery County has a Fair Housing Workgroup which meets regularly and addresses the action items in the County's Fair Housing Action Plan, which is also attached. This Workgroup has identified and addressed several impediments that could impede the ability of residents to achieve fair housing in their own community.

The County does not have any land use controls (zoning) and there is no countywide building code. 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.

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 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. Affordable housing in Montgomery County is lacking greatly. There are 367 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. Flooding and a hurricane have further tightened the market for low income housing. 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. At this time, the County is investing in keeping residents in the affordable housing they have, with aid from the CARES Act assisting with rent and utilities after extended quarantine and business closures negatively impacted the local job market.

AP-85 Other Actions – 91.220(k)

Introduction:

Much has changed in Montgomery County in the last few years, with two major floods, a Hurricane, and the Coronavirus. Housing has become a critical issue, across all sectors of the low income population, and throughout the county.

Actions planned to address obstacles to meeting underserved needs

The greatest need in Montgomery County right now is the unemployment rate caused by the Coronavirus. MCCD is focused on job skills training and financial aid to those who lost their jobs during quarantine. The County is currently spending \$12.4 million in rent/mortgage, utility and Rx assistance to low/mod and other residents with reduced income due to the virus.

Actions planned to foster and maintain affordable housing

The housing rehab program will continue to take applications and prioritize home repairs for the lowest income and most severe housing issues among applicants. MCCD has also allocated funds to Habitat for Humanity to assist with an expanded housing rehab program. The demolition program will continue to address slum and blight. The CHDO will construct affordable housing for low income persons. The down payment assistance program will assist in making homes more affordable. CDBG-DR funds will be used for buyout of destroyed homes, and assistance with relocation to safer affordable 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. In FY 2019, MCCD wrote for and received its first Lead Hazard Mitigation grant from HUD. This program is in process of being stood up and will test and remediate housing throughout the county.

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 health care, 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 is funding job training for low-income residents with this Plan.

In brief, Montgomery County's Anti-Poverty Strategy for FY 2018-2023 includes the following components:

1. Funding nonprofit organizations which provide job skills training, particularly to minority and homeless persons and other at-risk populations, and supporting construction of facilities which provide on-site training. The Department will also support nonprofit service agencies whose lifeskills training activities are funded with other HUD funds, such as YouthBuild.
2. Support initiatives to bring public transportation to the general population. Particularly in large rural areas, transportation is essential for accessing work and critical services. The lack of coordinated, comprehensive, general public transit in Montgomery County has been identified in every focus group and community survey as the most significant barrier to eliminating poverty in this area. Due to phenomenal growth in recent years, County government has been forced to focus resources and effort on expanding the road infrastructure throughout the area. This necessity has forced the County to play catch-up in terms of planning for transit. Montgomery County actively participates in planning future services, in coordination with Brazos Transit, however the installation of such a system is largely outside the scope of Community Development. The Department will continue to provide input regarding issues facing low-income residents.
3. Support construction of quality affordable housing throughout the county. Due to the ravages of two major floods and Hurricane Harvey, the shortage of affordable rental and owner housing has increased greatly. Community Development prioritizes construction of affordable housing units in this Five Year Plan and with available CDBG-DR funds.
4. Community Development has and continues to fund nonprofit health centers for low income residents.

Actions planned to develop institutional structure

This Action Plan funds the construction of a day facility for chronically homeless persons, and to construct a new community center in a fast-growing area of the county. This new community center will include a medical office to be run by a nonprofit organization. A transitional facility will receive a new roof. ESG-CV funds will be used to re-purpose an existing facility to become a homeless family shelter with the capability of isolating families during quarantine or illness.

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

HOME funds go to a CHDO to build affordable housing, to Easter Seals to increase the affordability of housing, and prior year HOME funds are set aside for a nonprofit, Eagle's Nest, who will develop housing for ex felons leaving the prison system. ESG funds include a rapid re-housing component to assist formerly homeless persons to exit shelter into private housing by providing deposits and first month's rent.

Discussion:

The coming year continues to address the most pressing needs in the community, as identified by citizens in the countywide survey.

Program Specific Requirements

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

Introduction:

Community Development operates almost exclusively on federal funds. The county provides office space and \$950 for incidentals. Program income generated by subrecipients remains with the subs to be rolled back into the program which generated it. In house, the county rarely generates program income. When it occurs, the funds are rolled back into the program which generated it.

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.	92.00%

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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as follows:

No other forms of investment are anticipated.

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:

Recapture:

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.

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:

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.

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:

Not Applicable.

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

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

See 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.

Montgomery County joined the Houston Coalition for the Homeless, which is in process of establishing coordinated assessment in the County. All subrecipients of ESG funds and CoC funds are required under contract to be a part of HMIS, which is the vehicle Houston uses to coordinate access.

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).

Montgomery County releases an ESG Application at the same time CDBG and HOME fund applications are released, in late January. Availability of applications are announced in the newspaper and as public notices, and via email to agencies who have applied in the past (whether funded or not) and agencies who requested to be added to the notification list throughout the year. Applicants had two full months to complete the applications. The Proposals from prospective ESG Subrecipients were reviewed by CDBG 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 consistent with HUD Guidelines and the 5-Year Consolidated Plan.

After the Advisory Committee reviews proposals submitted by the Applicants, public hearings are held to allow verbal and visual testimony and answer questions from the Advisory Committee. These public hearings are generally held in April. The Committee then meets with Community Development staff and vote to approve applications and set the level of funding for each. The awards are then reviewed by Montgomery County Commissioners. The final version is approved during an open court agenda in July. Montgomery County's Annual Plan is due August 16 of each year.

Due to the small amount of funds available in the ESG grant, Community Development chooses to limit funding to two programs. Although more than two applications may be submitted, only two are awarded contracts. To fund more than two would cause the amounts awarded to each program to have reduced efficiency and effectiveness. It is the standing policy of Community Development to fund a shelter which serves the adult population and a shelter which serves children and youth. Within those two subgroups, shelters serving the widest base of the population are preferred.

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.

The County consulted with the leaders of the Homeless Coalition, Youth Services, Campus of Hope, Angel Reach, Eagle's Nest, Salvation Army, and the Housing Authority to discuss needs of the clientele the agencies are routinely seeing. These nonprofits include at least one formerly homeless individual on their boards.

5. Describe performance standards for evaluating ESG.

The explanation and table below demonstrates how Montgomery County establishes performance standards across myriad agencies who provide services to diverse subpopulations of homeless persons:

The following list represents key Objectives of the Houston Coalition for the Homeless Continuum of Care. Select your choice of four (4) objectives most meaningful to your program from the list of ten, and assign a numeric and percentage goal for your program for the fiscal year of this grant. At grant-end, report your actual outcomes compared to your goals.

Note: These measures are for your total program, not just that part funded by MCCD ESG.

1. Increase progress toward ending chronic homelessness
2. Increase housing stability
3. Increase project participants' income
4. Increase the number of participants obtaining mainstream benefits
5. Use Rapid-Rehousing as a method to reduce family homelessness
6. Reduce the number and percentage discharged into homelessness
7. Number and percentage of children enrolled in early childhood education programs or in school
8. Number and percentage of departing clients who return during the grant year
9. Number and percentage of those receiving Outreach who come into the program/shelter
10. Number and percentage moving to Transitional or Permanent housing upon exit

Community Development continues to prioritize affordable housing and rapid-rehousing for homeless persons.

GRANTEE SF-424'S AND CERTIFICATION(S)

Application for Federal Assistance SF-424

*** 1. Type of Submission:**

- ☐ Preapplication
☒ Application
☐ Changed/Corrected Application

*** 2. Type of Application:**

- ☒ New
☐ Continuation
☐ Revision

*** If Revision, select appropriate letter(s):**

*** Other (Specify):**

*** 3. Date Received:**

08/15/2020

4. Applicant Identifier:

B-20-UC-480006

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):**

746000558

*** c. Organizational DUNS:**

0260512760000

d. Address:

*** Street1:**

501 N. THOMPSON ST

Street2:

SUITE 200

*** City:**

CONROE

County/Parish:

MONTGOMERY

*** State:**

TX: Texas

Province:

*** Country:**

USA: UNITED STATES

*** Zip / Postal Code:**

77301-2500

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:

DR

*** First Name:**

JOANNE

Middle Name:

*** Last Name:**

DUCHARME

Suffix:

Title:

COMMUNITY DEVELOPMENT DIRECTOR

Organizational Affiliation:

*** Telephone Number:**

936-442-7752

Fax Number:

936-538-8061

*** Email:**

JOANNE.DUCHARME@MCTX.ORG

Application for Federal Assistance SF-424

* 9. Type of Applicant 1: Select Applicant Type:

B: County Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

11. Catalog of Federal Domestic Assistance Number:

14.218

CFDA Title:

COMMUNITY DEVELOPMENT BLOCK GRANT

* 12. Funding Opportunity Number:

NA

* Title:

NA

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

* 15. Descriptive Title of Applicant's Project:

2020 COMMUNITY DEVELOPMENT BLOCK PROGRAM

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

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.

Add Attachment

Delete Attachment

View Attachment

17. Proposed Project:

* a. Start Date: 10/01/2020

* b. End Date: 09/30/2021

18. Estimated Funding (\$):

* a. Federal	2,789,509.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	2,789,509.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on .
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

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)**

☒ ** I AGREE

** 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.

Authorized Representative:

Prefix: Mr. * First Name: MARK

Middle Name:

* Last Name: KEOUGH

Suffix:

* Title: MONTGOMERY COUNTY JUDGE

* Telephone Number: 936-539-7812 Fax Number: 936-760-6819

* Email: COJUDGE@MCTX.ORG

* Signature of Authorized Representative:



* Date Signed: 07/14/2020

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2022

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PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant:, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE MONTGOMERY COUNTY JUDGE
APPLICANT ORGANIZATION MONTGOMERY COUNTY	DATE SUBMITTED 07/14/2020

ASSURANCES - NON-CONSTRUCTION PROGRAMS

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1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
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14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
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SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE MONTGOMERY COUNTY JUDGE
APPLICANT ORGANIZATION MONTGOMERY COUNTY	DATE SUBMITTED 07/14/2020

Application for Federal Assistance SF-424

*** 1. Type of Submission:**

- ☐ Preapplication
☒ Application
☐ Changed/Corrected Application

*** 2. Type of Application:**

- ☒ New
☐ Continuation
☐ Revision

*** If Revision, select appropriate letter(s):**

*** Other (Specify):**

*** 3. Date Received:**

08/15/2020

4. Applicant Identifier:

M-20-UC-48-0235

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):**

746000558

*** c. Organizational DUNS:**

0260512760000

d. Address:

*** Street1:**

501 N. THOMPSON ST

Street2:

SUITE 200

*** City:**

CONROE

County/Parish:

MONTGOMERY

*** State:**

TX: Texas

Province:

*** Country:**

USA: UNITED STATES

*** Zip / Postal Code:**

77301-2500

e. Organizational Unit:

Department Name:

COMMUNITY DEVELOPMENT

Division Name:

HOME

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

DR

*** First Name:**

JOANNE

Middle Name:

*** Last Name:**

DUCHARME

Suffix:

Title: COMMUNITY DEVELOPMENT DIRECTOR

Organizational Affiliation:

*** Telephone Number:**

936-442-7752

Fax Number:

936-538-8061

*** Email:**

JOANNE.DUCHARME@MCTX.ORG

Application for Federal Assistance SF-424

* 9. Type of Applicant 1: Select Applicant Type:

B: County Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

11. Catalog of Federal Domestic Assistance Number:

14.239

CFDA Title:

HOME INVESTMENT PARTNERSHIP PROGRAM

* 12. Funding Opportunity Number:

NA

* Title:

NA

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

* 15. Descriptive Title of Applicant's Project:

2020 HOME INVESTMENT PARTNERSHIP PROGRAM

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424**16. Congressional Districts Of:**

* a. Applicant TX-008

* b. Program/Project 02 08

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Delete Attachment

View Attachment

17. Proposed Project:

* a. Start Date: 10/01/2020

* b. End Date: 09/30/2021

18. Estimated Funding (\$):

* a. Federal	689,810.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	689,810.00

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- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
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☒ ** I AGREE

** 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.

Authorized Representative:

Prefix: Mr. * First Name: MARK

Middle Name:

* Last Name: KEOUGH

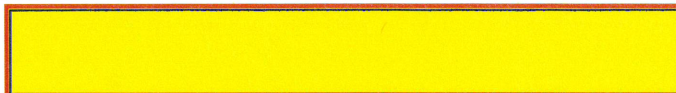
Suffix:

* Title: MONTGOMERY COUNTY JUDGE

* Telephone Number: 936-539-7812 Fax Number: 936-760-6819

* Email: COJUDGE@MCTX.ORG

* Signature of Authorized Representative:



* Date Signed: 07/14/2020

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2022

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2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
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SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE MONTGOMERY COUNTY JUDGE
APPLICANT ORGANIZATION MONTGOMERY COUNTY	DATE SUBMITTED 07/14/2020

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14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
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SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE MONTGOMERY COUNTY JUDGE
APPLICANT ORGANIZATION MONTGOMERY COUNTY	DATE SUBMITTED 07/14/2020

Application for Federal Assistance SF-424

*** 1. Type of Submission:**

- ☐ Preapplication
☒ Application
☐ Changed/Corrected Application

*** 2. Type of Application:**

- ☒ New
☐ Continuation
☐ Revision

*** If Revision, select appropriate letter(s):**

*** Other (Specify):**

*** 3. Date Received:**

08/15/2020

4. Applicant Identifier:

E-20-UC-48-0006

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):**

746000558

*** c. Organizational DUNS:**

0260512760000

d. Address:

*** Street1:**

501 N. THOMPSON ST

Street2:

SUITE 200

*** City:**

CONROE

County/Parish:

MONTGOMERY

*** State:**

TX: Texas

Province:

*** Country:**

USA: UNITED STATES

*** Zip / Postal Code:**

77301-2500

e. Organizational Unit:

Department Name:

COMMUNITY DEVELOPMENT

Division Name:

HESG

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

DR

*** First Name:**

JOANNE

Middle Name:

*** Last Name:**

DUCHARME

Suffix:

Title:

COMMUNITY DEVELOPMENT DIRECTOR

Organizational Affiliation:

*** Telephone Number:**

936-442-7752

Fax Number:

936-538-8061

*** Email:**

JOANNE.DUCHARME@MCTX.ORG

Application for Federal Assistance SF-424

* 9. Type of Applicant 1: Select Applicant Type:

B: County Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

* 10. Name of Federal Agency:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

11. Catalog of Federal Domestic Assistance Number:

14.231

CFDA Title:

HOMELESS EMERGENCY SOLUTIONS GRANT

* 12. Funding Opportunity Number:

NA

* Title:

NA

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

* 15. Descriptive Title of Applicant's Project:

2020 COMMUNITY DEVELOPMENT HOMELESS SOLUTIONS GRANT PROGRAM

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

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.

Add Attachment

Delete Attachment

View Attachment

17. Proposed Project:

* a. Start Date: 10/01/2020

* b. End Date: 09/30/2021

18. Estimated Funding (\$):

* a. Federal	224,890.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	224,890.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on .
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

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)**

☒ ** I AGREE

** 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.

Authorized Representative:

Prefix: Mr. * First Name: MARK

Middle Name:

* Last Name: KEOUGH

Suffix:

* Title: MONTGOMERY COUNTY JUDGE

* Telephone Number: 936-539-7812

Fax Number: 936-760-6819

* Email: COJUDGE@MCTX.ORG

* Signature of Authorized Representative:

* Date Signed: 07/14/2020

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2022

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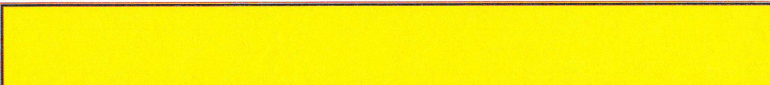
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4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 	TITLE MONTGOMERY COUNTY JUDGE
APPLICANT ORGANIZATION MONTGOMERY COUNTY	DATE SUBMITTED 07/14/2020

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.

Uniform Relocation Act and 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, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.

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 Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the jurisdiction's consolidated plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 135.

Signature of Authorized Official

Date

Montgomery County Judge

Title

Specific Community Development Block Grant 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 plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 570.

Following a Plan -- It is following a current consolidated plan 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 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 CDBG-assisted activities which the grantee certifies are designed to meet other community development needs having 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 (see Optional CDBG Certification).

2. Overall Benefit. The aggregate use of CDBG funds, including Section 108 guaranteed loans, during program year(s) FY 2020 [a period specified by the grantee 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.

In addition, 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 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 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 of Authorized Official

Date

Montgomery County Judge
Title

OPTIONAL Community Development Block Grant Certification

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 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 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 of Authorized Official

Date

Montgomery County Judge

Title

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If it plans to provide tenant-based rental assistance, the tenant-based rental assistance is an essential element of its consolidated plan.

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.

Subsidy layering -- 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 of Authorized Official

Date

Montgomery County Judge

Title

Emergency Solutions Grants Certifications

The Emergency Solutions Grants Program recipient certifies that:

Major rehabilitation/conversion/renovation – If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation.

If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion.

In all other cases where ESG funds are used for renovation, the recipient will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

Essential Services and Operating Costs – In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the recipient 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, so long the recipient serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – The recipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for these individuals.

Matching Funds – The recipient will obtain matching amounts required under 24 CFR 576.201.

Confidentiality – The recipient has established and is implementing 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, the recipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted under the program.

Consolidated Plan – All activities the recipient undertakes with assistance under ESG are consistent with its consolidated plan.

Discharge Policy – The recipient will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

Signature of Authorized Official

Date

Montgomery County Judge

Title

Housing Opportunities for Persons With AIDS Certifications

The HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under that program shall be operated for the purpose specified in the consolidated plan:

1. For a period of not less than 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For a period of not less than 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Signature of Authorized Official

Date

Montgomery County Judge

Title

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an 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, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this 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. 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.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any 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 commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement 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 statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

* APPLICANT'S ORGANIZATION

MONTGOMERY COUNTY

* PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

Prefix: Mr. * First Name: MARK Middle Name:

* Last Name: KEOUGH Suffix:

* Title: MONTGOMERY COUNTY JUDGE

* SIGNATURE:

* DATE:

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION:

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.

INTERIM ESG-CV Certifications (NON-STATE)

The Emergency Solutions Grants Program Recipient certifies that:

Major rehabilitation/conversion – If an emergency shelter’s rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

EXCEPTION: In accordance with the CARES Act, the certifications in this paragraph do not apply with respect to CARES Act funding that is used to provide temporary emergency shelters (through leasing of existing property, temporary structures, or other means) to prevent, prepare for, and respond to coronavirus.

Essential Services and Operating Costs – In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the jurisdiction 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, so long the jurisdiction serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

EXCEPTION: In accordance with the CARES Act, the certification in this paragraph does not apply with respect to CARES Act funding that is used to provide temporary emergency shelters (through leasing of existing property, temporary structures, or other means) to prevent, prepare for, and respond to coronavirus.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – The jurisdiction will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal State, local, and private assistance available for such individuals.

~~**Matching Funds** – The jurisdiction will obtain matching amounts required under 24 CFR 576.201.~~

Confidentiality – The jurisdiction has established and is implementing 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, the jurisdiction will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted under the program.

Consolidated Plan – All activities the jurisdiction undertakes with assistance under ESG are consistent with the jurisdiction's consolidated plan.

Discharge Policy – The jurisdiction will establish and implement, to the maximum extent practicable and where appropriate policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

Signature/Authorized Official

Date

Montgomery County Judge
Title

**CITIZEN PARTICIPATION
PUBLIC NOTICES &
PUBLIC COMMENTS**



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

**COMMUNITY DEVELOPMENT BLOCK GRANT
2020 GRANT PROPOSAL APPLICATIONS AVAILABLE**

The Montgomery County Community Development Department announces that applications for the 2020 grant year, which begins on October 1, 2020, are available online at www.mctx.org (Community Development Department – Applications).

Hard copies are also available at the Community Development Office located at:
501 N. Thompson, Suite 200, Conroe, TX.

**These applications are for nonprofit entities and
multi-family housing developers.**

Applications are due by 4:00 pm on Monday, March 30, 2020

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).

Dow, Wendy

From: Dow, Wendy
Sent: Wednesday, January 29, 2020 11:47 AM
To: Dow, Wendy
Cc: Ducharme, Joanne; Leppo, Christopher; Haley, Autumn; Langford, Robert
Subject: FY 2020 GRANT APPLICATIONS NOW AVAILABLE

Importance: High

Good Morning-

The Montgomery County Community Development Department is pleased to announce that applications for the 2020 grant year, which begins on October 1, 2020, are available online at www.mctx.org (Community Development Department - Applications). Please use direct link highlighted below-

[CLICK HERE TO ACCESS 2020 GRANT APPLICATIONS](#)

Applications are due by 4:00 pm on MARCH 30, 2020.
(We will not accept any submissions after the deadline)

Hard copies are also available at the Community Development Office located at: 501 N. Thompson, Suite 200, Conroe, TX.

We encourage everyone to apply, however, keep in mind that these applications are only for nonprofit entities and multi-family housing developers and not the general public. Please feel free to forward this information to other agencies you work with that may be interested.

Note: You are receiving this email because you are part of a master mailing list. If any information needs to be updated or if you wish to be removed from this list, please reply to this email detailing your request. Thank you.

Sincerely-

Wendy Dow



501 North Thompson, Suite 200 Conroe, Texas 77301
Phone: 936-538-8060 Fax: 936-538-8061

[2020 Home Grant Application \(2020 HOME Application.pdf\)](#)

[2020 CDBG Social Services Application \(2020 CDBG Social Services Application.pdf\)](#)

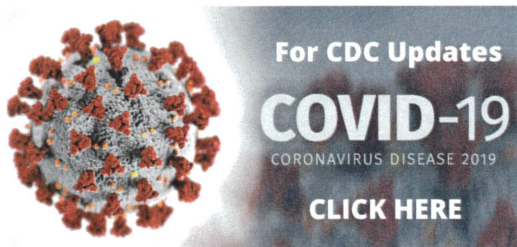
[2020 Emergency Solutions Grant Application \(2020 ESG Social Services Application.pdf\)](#)

[2020 CDBG Capital Project Application \(2020 CDBG Capital Project Application.pdf\)](#)

[2020 Home Capital Project Application \(2020 HOME Capital Project Application.pdf\)](#)

CLICK HERE FOR CDC UPDATES

COVID 19 FINANCIAL
ASSISTANCE



[\(https://www.cdc.gov/coronavirus/2019-nCoV/index.html\)](https://www.cdc.gov/coronavirus/2019-nCoV/index.html)



[Click here to be directed to the official CARES Act Application.](#)
[\(departments/departments_a -](#)
[c/community_development/image.php\)](#)

CORONA VIRUS
INFORMATION

×

[Click here for more information](#)
[on Corona Virus \(COVID-19\)](#)
[\(https://coronavirus-response-](https://coronavirus-response-moco.hub.arcgis.com/)
[moco.hub.arcgis.com/\).](#)



AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared, the Newspaper Representative at the HOUSTON CHRONICLE, a daily newspaper published in Harris County, Texas, and generally circulated in the Counties of: HARRIS, TRINITY, WALKER, GRIMES, POLK, SAN JACINTO, WASHINGTON, MONTGOMERY, LIBERTY, AUSTIN, WALLER, CHAMBERS, COLORADO, BRAZORIA, FORT BEND, GALVESTON, WHARTON, JACKSON, and MATAGORDA and that the publication, of which the annexed herein, or attached to, is a true and correct copy, was published to-wit:

MCCD

0000209931 HC015760323

RAN A LEGAL NOTICE

SIZE BEING: 2 x26 L

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CNCC-The Courier

Date

Jan 30 2020

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Legal Notices

Page

Victoria Bond & IR Clark
NEWSPAPER REPRESENTATIVE

Sworn and subscribed to before me, this 30th Day of January A.D. 2020

Charles E Walichowski
Notary Public in and for the State of Texas



Order Confirmation

<u>Ad Order Number</u> 0000209931	<u>Customer</u> MCCD	<u>Payer Customer</u> MCCD	<u>PO Number</u>
<u>Sales Rep.</u> HC0630	<u>Customer Account</u> 10019940	<u>Payer Account</u> 10019940	<u>Ordered By</u> Wendy Dow
<u>Order Taker</u> jvega	<u>Customer Address</u> 501 N THOMPSON ST STE 200 CONROE TX 773012500 USA	<u>Payer Address</u> 501 N THOMPSON ST STE 200 CONROE TX 773012500 USA	<u>Customer Fax</u>
<u>Order Source</u>	<u>Customer Phone</u> 9364427753	<u>Payer Phone</u> 9364427753	<u>Customer Email</u>
			<u>Special Pricing</u> Override

<u>Tear Sheets</u> 1	<u>Proofs</u> 0	<u>Affidavits</u> 1	<u>Blind Box</u>	<u>Promo Type</u>	<u>Materials</u>
<u>Invoice Text</u>					

<u>Gross Amount</u> 164.20	<u>Net Amount</u> \$90.00	<u>Tax Amount</u> \$0.00	<u>Total Amount</u> \$90.00	<u>Payment Method</u> Invoice	<u>Payment Amount</u> \$0.00	<u>Amount Due</u> \$90.00
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<u>Ad Number</u> 0000209931-01	<u>Ad Type</u> CLS Liner	<u>Production Method</u> AdBooker	<u>Production Notes</u>
<u>External Ad Number</u>	<u>Ad Attributes</u>	<u>Ad Released</u> No	<u>Pick Up</u>

Ad Size
2 X 26 ll

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PUBLIC NOTICE: MONTGOMERY COUNTY COMMUNITY DEVELOPMENT DEPARTMENT

COMMUNITY DEVELOPMENT BLOCK GRANT 2020 GRANT PROPOSAL APPLICATIONS AVAILABLE

The Montgomery County Community Development Department announces that applications for the 2020 grant year, which begins on October 1, 2020, are available online at www.mntx.org (Community Development Department - Applications). Hard copies are also available at the Community Development Office located at:
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Product
CNCC-The Courier
Online

Position
Legal Notices
Legal Notices

First Run Date
Thursday, January 30, 2020
Thursday, January 30, 2020

Last Run Date
Thursday, January 30, 2020
Thursday, January 30, 2020

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

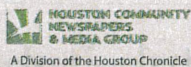
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**These applications are for nonprofit entities and
Multi-family housing developers.**

Applications are due by 4:00 pm on Monday, March 30, 2020

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)



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LEGALS

BIDS & PROPOSALS

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2020 Events & Festivals Guide
will publish Friday, March 6th
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publication.

Calendar listing deadline
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Wednesday, February 26th

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LEGALS

BIDS & PROPOSALS

NOTICE TO BIDDERS

The City of Conroe will receive sealed bids, one (1) original and three (3) copies, for the Public Works Utility Rights of Way and Utility Easements Clearing and Moving Services (Phase 2) Bid. The proposals shall be appropriately marked "Public Works Utility Rights of Way and Utility Easements Clearing and Moving Services (Phase 2) Bid," and delivered to the City Secretary 300 West Davis, 3rd Floor, Conroe, Texas 77385. Proposals will be publicly opened and read on **Thursday February 13, 2020 at 2:00 p.m.** in the 3rd Floor conference room at City Hall (300 West Davis).

Instructions for downloading specifications and bidding documents from Vendor Registry are on the City of Conroe Website, www.cityofconroe.org, Departments, Purchasing.

No proposal may in any way qualify, modify, substitute or change any part of the specifications contained herein.

The City of Conroe reserves the right to reject any and all offers, award parts of bids and to waive informalities in submission of proposals. The City of Conroe also reserves the right to award this proposal to the lowest most qualified responsible bidder meeting all the specifications or to the bidder who provides goods or services at the best value for the City taking certain evaluation factors into consideration as set forth in this proposal.

cc: 1/30/2020 & 2/4/2020

CITY OF CONROE, TEXAS

REQUEST FOR SEALED BIDS
FOR GROUNDS MAINTENANCE &
RIGHT OF WAY MOVING AND LIFT STATION WEED CONTROL

The City of Montgomery, Texas is seeking sealed bids for the following two (2) contracts:
150, Houston, Texas 77042, at 3:00 p.m., Thursday, January 30, 2020.
Friendswood Development Company on behalf of East Montgomery County Municipal Utility District No. 5 reserves the right to reject any and all bids. The Successful Bidder, if any, will be the responsible Bidder which in the Board's judgment will be most advantageous to the District and result in the best and most economical completion of the Project. (Texas Water Code 49.273)

Bid security in the form of bid bond or cashier's check payable to Friendswood Development Company on behalf of East Montgomery County Municipal Utility District No. 5 in amount not less than five percent (5%) of the Bid submitted, must accompany each Bid.

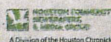
Sealed bids in duplicate, addressed to Montgomery County MUD 113, for the construction of Woodforest Forest Island Park Tennis Expansion Site-work & Electrical to serve Montgomery County MUD 113 will be received at the offices of the Landscape Architect, **TBG Partners 1333 W. Loop South, Suite 1450, Houston, TX, 77027** until **10:00 a.m. local time, Wednesday, Feb 12, 2020** and then publicly opened and read for furnishing all materials and equipment, labor and performing all work. The site of the work is located in Montgomery County, within the Woodforest Development, near the intersection of Elk Trace Pkwy. & Woodforest Pkwy. N.

A mandatory pre-bid conference will be held in the office of **TBG Partners 1333 W. Loop South, Suite 1450, Houston, TX, 77027** at **10:00 a.m. local time, Monday, February 3, 2020**. Prospective bidders may purchase bidding documents at Thomas Printworks & (713) 621-0022. Bidding documents will be available for review and purchase at the offices of TBG Partners. A bid bond in the amount of 5% of the total amount of the bid must accompany each bid. The successful bidder must furnish a payment and performance bond acceptable to the owner.

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The Board of Trustees of the Conroe Independent School District reserves the right to reject any or all offers and to waive any formalities or irregularities and to make the award of the contract in the best interest of the school district.

PUBLIC NOTICE:
MONTGOMERY COUNTY COMMUNITY
DEVELOPMENT DEPARTMENTCOMMUNITY DEVELOPMENT BLOCK GRANT
2020 GRANT PROPOSAL APPLICATIONS AVAILABLE

The Montgomery County Community Development Department announces that applications for the 2020 grant year, which begins on October 1, 2020, are available online at www.mccdc.org (Community Development Department - Applications). Hard copies are also available at the Community Development Office located at 501 N. Thompson, Suite 200, Conroe, TX.

These applications are for nonprofit entities and multi-family housing developers.

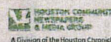
Applications are due by 4:00 pm on Monday, March 30, 2020

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.mccdc.org (Community Development Department)

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

**COMMUNITY DEVELOPMENT BLOCK GRANT,
HOME INVESTMENT PARTNERSHIPS PROGRAM and
EMERGENCY SOLUTIONS GRANT FOR HOMELESSNESS
PUBLIC HEARING SCHEDULED FOR 2020 NEEDS ASSESSMENT,
HOUSING PROJECTS, HOMELESSNESS PROJECTS, CAPITAL PROJECTS
AND INTERESTED PARTIES**

The Montgomery County Community Development Department, pursuant to the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant Program (HESG), and U.S. Department of Housing & Urban Development guidelines, will be holding public hearings for needs assessment and housing and homelessness project presentations on Tuesday, April 14, 2020, Wednesday, April 15, 2020 and Thursday, April 16, 2020 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 CDBG, HOME or HESG funds for the 2020 grant cycle. The 2020 grant cycle covers the time period October 01, 2020 through September 30, 2021.

Applicants must appear at a public hearing and make a public presentation to receive CDBG, 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 30, 2020. Only grant applicants are eligible to receive funding.

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 2018, 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, 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 2020 has not been published but is estimated to be approximately \$ 2,789,509, based on level funding, 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.

At this time, Montgomery County is preparing the 2020 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 2020 (October 01, 2020 to September 30, 2021) has not been published, but is estimated to be approximately \$689,810, based off of level funding. The amount of HESG funds that Montgomery County anticipates will be received directly from the U.S. Department of Housing and Urban Development (HUD) for program year 2020 (October 01, 2020 to September 30, 2021) has not been published, but is estimated to be approximately \$224,890, based off of level funding. 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 Homeless 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.

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.

Dow, Wendy

From: Dow, Wendy
Sent: Monday, February 3, 2020 4:20 PM
To: Strozier, Terri
Subject: Public Hearing Room Request - April 14-16

Importance: High

Tracking:	Recipient	Delivery
	Strozier, Terri	Delivered: 2/3/2020 4:20 PM

Hello Terri-

MCCD would like to reserve Yellow Rose Room(s) 1,2 & 3 for Tuesday-Thursday April 14-16, 2020 for our annual grant hearings. The actual meeting will begin at 6:00 p.m.; however, we would like to have access to the room by 4:30 p.m. to set up A/V equipment. The meeting should last no later than 8:30 pm. Please set up main combined rooms for at least 50 people and a head table set up for 14 people. American and Texas Flags are requested, as well as a podium and microphone. Outside that room, please have one small table and 2 chairs for sign-ins. Please use MCCD Public Hearing on the marquee and inside signage.

Thank you for your assistance. If you have any questions, please don't hesitate to contact me.

Sincerely,

Wendy Dow



Dow, Wendy

To: Undisclosed Recipients
Subject: 2020 Grant Application Presentations
Importance: High

From: Dow, Wendy
Sent: Monday, February 3, 2020 3:47 PM
Subject: 2020 Grant Application Presentations
Importance: High

Montgomery County Community Development will be hosting the 2020 Grant Application Presentations at the Lone Star Convention Center. These will be held on 3 evenings in April, Tuesday through Thursday.

Grant Application Public Hearing Date and Time

Tuesday, April 14, 2020 – 5:30 pm
Wednesday April 15, 2020 – 5:30 pm
Thursday April 16, 2020 – 5:30 pm

Lone Star Convention Center
Address: 9055 Airport Rd, Conroe, TX 77303
Phone: (936) 538-8000

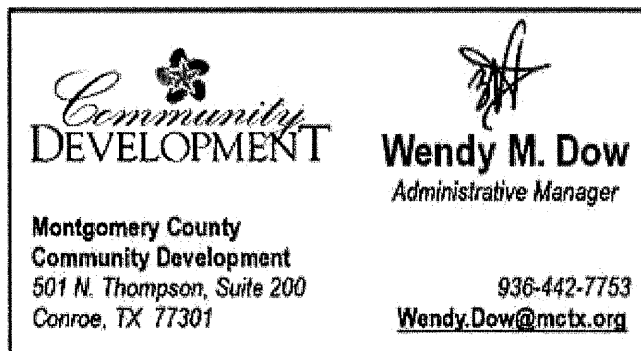
I have attached some helpful information explaining your role in this committee and some useful material to have.

The first week of April (tentatively) you will be receiving 1, possibly 2 emails from our Large File Server with a link to each of the full pdf version of the submitted applications. Please click on the link and save the files to your computer to review. This link will only be valid for a few days. I will send instructions at a later date.

Please let me know if you have any questions and thank you for your time and participation.

Sincerely,

Wendy Dow



Dow, Wendy

From: Millsaps, Jason
Sent: Monday, March 16, 2020 11:25 AM
Subject: Montgomery County, Texas Amended Order Affecting Occupancy of Premises
Attachments: Amended order 50 persons.pdf



MONTGOMERY COUNTY JUDGE AMENDS ORDER AFFECTING OCCUPANCY OF PREMISES

Status Update from the Office of Homeland Security and Emergency Management

**FOR IMMEDIATE RELEASE:
March 16, 2020**

The Office of County Judge Mark Keough along with the Office of Homeland Security and Emergency Management announce the following notice in lieu of recent events in Montgomery County. At 10 a.m. this morning Judge Mark Keough signed an amended order affecting the occupancy of premises in response to the current and anticipated needs to respond to the COVID-19 crisis. The order is attached, and the content is below:

AMENDED ORDER AFFECTING THE OCCUPANCY OF PREMISES THROUGHOUT MONTGOMERY COUNTY

WHEREAS, on March 12, 2020, Montgomery County Judge Mark J. Keough signed an order affecting the occupancy of premises throughout Montgomery County; and

WHEREAS, said order went into effect at midnight on March 13, 2020; and

WHEREAS, a local disaster declaration was declared on March 12, 2020, ratified and extended for 30 days by a duly called Emergency Meeting of Commissioners Court on the same day, and both similar State of Texas and Federal disaster declarations were issued on March 13, 2020; and

WHEREAS, the COVID-19 virus is contagious and spreads through person-to-person contact, especially in group settings; and

WHEREAS, the U.S. Centers for Disease Control and Prevention (CDC) issued guidance to all Americans, requesting gatherings of 50 persons or more to cease for the next eight weeks on March 15, 2020; and

WHEREAS, an emerging public health emergency does currently exist and is expected to worsen, where Montgomery County desires to slow down and prevent the spread of COVID-19 throughout Montgomery County; and

NOW THEREFORE, I, COUNTY JUDGE OF MONTGOMERY COUNTY, TEXAS, PURSUANT TO THE AUTHORITY VESTED BY TEXAS GOVERNMENT CODE CHAPTER 418, HEREBY AMEND AND ORDER:

Effective as of 5:00 p.m. on Monday, March 16, 2020 and continuing until April 12, 2020, unless terminated or modified by an order, the County Judge of Montgomery County, Texas, deems it in the public interest to issue the following order(s):

- 1) Any event sponsored or permitted by a political subdivision in Montgomery County shall cease.
- 2) Events greater than 50 persons at all publicly held facilities across Montgomery County shall cease.
- 3) Any event greater than 50 persons held at private facilities is urged to cancel but should make those determinations within their organizations and with staff of those facilities.
- 4) Events of 50 persons or more that would include any population at severe risk of severe illness should cease. The population at the greatest risk is anyone over the age of 65 and/or those with severe medical conditions as defined by CDC guidelines.
- 5) Nursing homes and senior living centers should limit visitation of the public within their facilities.
- 6) Restaurants, retail stores, private businesses, clubs or civic organizations and religious organizations to include churches, synagogues, mosques or other places of worship are urged to comply with the CDC guidelines related to 50 persons gathering in any one place or at one time. Retail stores who sale groceries or medical supplies are exempt.

This order does NOT extend to law enforcement activities, emergency responses, court operations to include jury operations where necessary, and to all school districts or private school facilities within the jurisdiction of Montgomery County.

All Montgomery County Employees must report for work as required by their supervisors.

Effective immediately and through the duration of this order, all Montgomery County employees shall cease any work related travel.

This order shall take effect at 5:00 p.m. on March 16, 2020 and extend until April 12, 2020 until otherwise rescinded or extended.

###

**Jason Millsaps
Office of County Judge Mark J. Keough
Chief of Staff
Executive Director**

Homeland Security and Emergency Management

501 N. Thompson, Suite 401

Conroe TX 77301

Office (936) 539-7812

Cell (936) 264-6732

Jason.millsaps@mctx.org





Posted
FILED

3-16-2020

MARK TURNBULL
Clerk, County Court
Montgomery Co., Texas

[Signature] Deputy

501 N. Thompson, Suite 401
Conroe, TX 77301
E-Mail: cojudge@mctx.org

MARK J. KEOUGH
COUNTY JUDGE
MONTGOMERY COUNTY

Conroe: (936) 539-7812
Houston: (281) 364-4285
Fax: (936) 760-6919

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501 N. Thompson, Suite 401
Conroe, TX 77301
E-Mail: cojudge@mctx.org

MARK J. KEOUGH
COUNTY JUDGE
MONTGOMERY COUNTY

Conroe: (936) 539-7812
Houston: (281) 364-4285
Fax: (936) 760-6919

- 4) Events of 50 persons or more that would include any population at severe risk of severe illness should cease. The population at the greatest risk is anyone over the age at 65 and/or those with severe medical conditions as defined by CDC guidelines.
- 5) Nursing homes and senior living centers should limit visitation of the public within their facilities.
- 6) Restaurants, retail stores, private businesses, clubs or civic organizations and religious organizations to include churches, synagogues, mosques or other places of worship are urged to comply with the CDC guidelines related to 50 persons gathering in any one place or at one time. Retail stores who sale groceries or medical supplies are exempt.

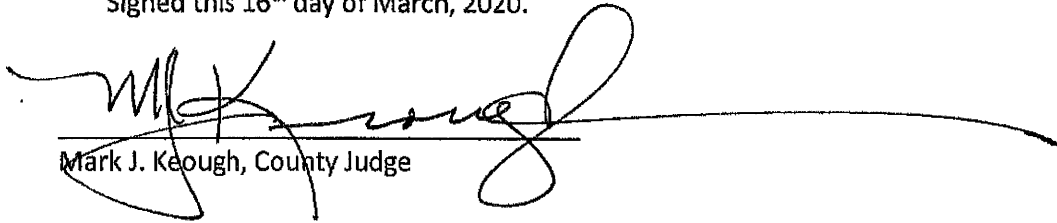
This order does NOT extend to law enforcement activities, emergency responses, court operations to include jury operations where necessary, and to all school districts or private school facilities within the jurisdiction of Montgomery County.

All Montgomery County Employees must report for work as required by their supervisors.

Effective immediately and through the duration of this order, all Montgomery County employees shall cease any work related travel.

This order shall take effect at 5:00 p.m. on March 16, 2020 and extend until April 12, 2020 until otherwise rescinded or extended.

Signed this 16th day of March, 2020.


Mark J. Keough, County Judge

Witnessed: 

Dow, Wendy

From: Dow, Wendy
Sent: Monday, March 16, 2020 1:44 PM
To: Strozier, Terri
Subject: Cancellation Request - Public Hearings - April 14-16, 2020

Hello Terri-

Joanne would like to cancel these reservations for April 14-16, due to the Judges orders sent out this morning regarding the COVID-19 Crisis.

Please let me know if you need anything additional.

Sincerely,

Wendy Dow

-----Original Message-----

From: Strozier, Terri <Terri.Strozier@thelonestar.org>
Sent: Wednesday, February 12, 2020 12:50 PM
To: Dow, Wendy <Wendy.Dow@mctx.org>
Subject: Public Hearing - April 14-16, 2020

Wendy,

Attached are the event sheet and room layouts for the Public Hearing scheduled for April 14-16, 2020.

Let me know if I need to adjust anything.

Thanks,
Terri Strozier
The Lone Star Convention & Expo Center
9055 Airport Rd.
Conroe, TX 77303
877/843-6346 (toll free)
936/538-8000 (main #)
936/538-8001 (fax #)
Terri.strozier@mctx.org
www.thelonestar.org

Visit us on Facebook at <http://www.facebook.com/pages/The-Lone-Star-Convention-Expo-Center/295336027203340>

-----Original Message-----

From: civic.cop@mctx.org <civic.cop@mctx.org>
Sent: Wednesday, February 12, 2020 1:05 PM
To: Strozier, Terri <Terri.Strozier@thelonestar.org>

Dow, Wendy

Subject: Canceled: IMPORTANT CANCELLATION & UPDATE: MCCD Advisory Committee Meeting Notice for Grant Applicant Public Hearing

Location: Lone Star Convention Center - 9055 Airport Rd, Conroe, TX 77303

Start: Tue 4/14/2020 5:30 PM

End: Thu 4/16/2020 8:30 PM

Show Time As: Free

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Dow, Wendy

Required Attendees: gradywjames ; neylac1@ ; rladams(happyr@ ; Berger, Bruce; kandicec@ ; vcwillia@ sharonssutton@ ; Janice.bbp@ ; jhayden42@

Importance: High

Today, the Judge ordered public facilities closed to all gatherings greater than 50 people. In an abundance of caution, and to enable you to have plenty of advance notice to plan, I'm canceling the public hearings for the FY 2020 Public Service applications.

We will proceed as follows:

1. Applications are due March 30, and have already begun to arrive. Our staff will review per our standard procedure.
2. Once vetted, electronic versions of all applications will be sent to you for review, per our standard procedure.
3. All NEW agencies whom the majority of committee members are not familiar with (my apologies to new members) will be asked to electronically transmit powerpoint presentations and, if possible, a video presentation, which we will forward to you.
4. Upon review of all materials, committee members will email to me any questions you would like relayed to various applicants. We will share all questions and answers with all committee members.
5. Once you have made your decisions, send your recommendations to me along with your thought processes so I can glean an understanding of the will of the committee.
6. I will do my best to produce a funding plan that reflects committee recommendations.

We will follow this procedure this year even if everything has magically gone away by mid April.

If you have questions or comments regarding this proposed plan, please REPLY ALL so we can all chime in!

Thanks for your patience and understanding. This will be more cumbersome and slower, but I think it is the prudent way to go this year. JRCD

Dow, Wendy

From: Dow, Wendy
Sent: Thursday, March 26, 2020 2:24 PM
To: Ducharme, Joanne; Leppo, Christopher; Haley, Autumn
Subject: Fw: FY2020 Application Deadline and Presentation

This was sent to everyone on the master email list.

From: Dow, Wendy
Sent: Thursday, March 26, 2020 2:22 PM
To: Dow, Wendy <Wendy.Dow@mctx.org>
Subject: FY2020 Application Deadline and Presentation

Good afternoon everyone-

I hope this email finds you and those close to you doing well during this time of uncertainty. There have been several questions about the upcoming due date for the FY2020 Applications and the annual public presentations that we typically hold mid- April.

Due to safety concerns we have multiple options for submitting applications, however, at this time, the deadline is still March 30, 2020- no later than 4:00 pm.

You can scan completed applications in and email it to the following email addresses;

wendy.dow@mctx.org
christopher.leppo@mctx.org
joanne.ducharme@mctx.org

Please hold onto the original so that we can get it later to add to our files.

Secondly you can mail it in to our office, and it must arrive or be postmarked by March 30, 2020. Finally we still have at least one person in the office Monday through Friday, 8:00 am to 5:00 pm, so for the time being you can still drop it off at our office. Please use what ever works best for you and your safety.

Additionally, every year, we hold public hearings in mid-April where applicants introduce their organizations to the Advisory Committee members and the public. This year, we will NOT have these meetings, due to the worldwide Covid-19 Pandemic.

If you are a new applicant and/or are unfamiliar with the process, please submit a power point presentation or a short video explaining your organization, what you do and who you serve, and what the funds you are requesting will be used for, to the email addresses listed above by April 15, 2020. Seasoned applicants, who have presented before and are familiar with the process are not required to do this.

If you have any questions please let me know and thank you for your continued service.

All my best-

Wendy Dow

Dow, Wendy

From: Dow, Wendy
Sent: Tuesday, March 31, 2020 4:18 PM
To: Grady James; ; rladams; happyr ;
Berger, Bruce; kandicec@ ; vcWillia@ ; Sharon Sutton; Janice
Peterson; jhayden42@
Cc: Leppo, Christopher (christopher.leppo@mctx.org); Haley, Autumn
Subject: FY 2020 GRANT APPLICATIONS - ON THE WAY!
Importance: High

Good afternoon Committee Members!

I will be sending you 21 complete applications to review and they will be coming from our large email server, so please save all to your personal computer as the links will only be available for 7 days.

ACCESS BUILDS CHILDREN – CDBG
CHILDREN'S BOOKS ON WHEELS –CDBG
CHILDREN'S SAFE HARBOR –CDBG
COMMUNITY ASSISTANCE CENTER-CDBG
COMPASSION UNITED, INC-CDBG
EASTER SEALS-CDBG
EASTER SEALS-HOME
EDUCATIONAL OUTCOMES-CDBG
FAMILY PROMISE-ESG
HUMBLE AREA ASSISTANCE MINISTRIES (HAAM)-ESG
INSPIRATIONAL RANCH-CDBG
KEEP US FED-CDBG
LONE STAR FAMILY HEALTH CENTER –CDBG
MC FOOD BANK-CDBG
MEALS ON WHEELS-CDBG
MISSION NORTHEAST-CDBG
MONTGOMERY COUNTY YOUTH SERVICES-ESG
SOCIETY OF SAINT VINCENT DE PAUL-CDBG
THE TREEHOUSE CENTER-CDBG
TOMAGWA MINISTRIES-CDBG
WALKER MONTGOMERY CDC-HOME

Please let me know if you have any issues. Our office is staffed 5 days a week from 8-5, with each person rotating and coming in to the office each day and the rest are working from home. I will do what I can to help you if I am out of the office.

Thank you for your time.

Sincerely,

Wendy Dow

From: Dow, Wendy
Sent: Monday, March 30, 2020 1:58 PM
To: Grady James <neylac1@rladams>;
happy@Berger, Bruce <kandicec@vcWillia@s>;
Sharon Sutton <sharonssutton@>; Janice Peterson <jhayden42@>;
Cc: Dow, Wendy <Wendy.Dow@mctx.org>; Leppo, Christopher <christopher.leppo@mctx.org>
Subject: FY 2020 PUBLIC SERVICE GRANT APPLICATION REVIEW INSTRUCTIONS
Importance: High

Hi everyone,

I hope you are all healthy and weathering this crisis reasonably well. This has certainly been an adjustment for all of us, but Americans are at our best in a challenge.

Today is the deadline for grant applications for Community Development. They have been pouring in. Agencies have until 4:00 today to get them in or postmarked, but we already have several new applicants who we have never worked with before. Since we won't be having public hearings, I've asked the first timers to send a video or PowerPoint, but those won't be due until April 16.

Meanwhile, Wendy will be trickling electronic applications to you over the next several days as they are vetted for eligibility. Unlike in years past, when you have only received narratives and budgets, you will get files with entire applications. You can read the sections that interest you, but most are form attachments.

Your recommendations to me will be due no later than May 1, after you've had a chance to look at presentations. The budget for Public Services is \$418,436. ESG (homeless shelters) is approximately \$210,000. CDBG capital is approximately \$1 million. HOME is approximately \$400,000.

Thank you for your time and effort seeing to it that the most vulnerable in our community are assisted. Our current Plan prioritizes programs that promote independent living, such as job skills training, home support, education, and overcoming barriers to being independent.

I look forward to your input.

Joanne

Dow, Wendy

From: Dow, Wendy
Sent: Thursday, April 9, 2020 5:19 PM
To: neylac'; m; rladams(n; happyr@ 3erger, Bruce;
kandicec@c n; vcWillia@: t; Sharon Sutton; Janice Peterson;
jhayden42@ya ; Ducharme, Joanne; Leppo, Christopher; Haley, Autumn
Subject: FY2020 Application Data Summary List/Scoresheet, Instructions & Society of Samaritans Application
Attachments: Applications 2020.xlsx; Applications 2020.pdf; SOS Application.pdf
Importance: High

Good afternoon-

I hope this finds all of you well and in good spirits. Attached you will find the spreadsheet from Chris that some of you were requesting. Also attached is an additional application for your review...this one is from Society of Samaritans. Due to the set of circumstances we are all under, and for the safety of all, some organizations have mailed in their applications this year, and some may still be trickling in. If they do, I will send them to you as I receive them.

Additionally, I will be sending out numerous group emails to all of you this evening (22 total), each with a different Non-Profit name in the subject line. This will help keep each organization in its own email thread, and avoid confusion during your discussion. Please continue to reply ALL with any questions or discussion points you have on those individual emails, but please only discuss that particular organization or application.

As for scoring, you should vote by sending one email with the list of your recommended award amounts for your chosen agencies totaling the allowed amount, with a brief explanation of why.

For example:

Educational Outcomes \$55,000. Level funding because they hit our stated priority of helping people achieve independent living but no increase.

Food Bank. \$0. Too large an ask, should have insurance, we said no to a roof for Tree House.

Mission NE. \$15,556. Easy ask. In east county. We facilitated that used freezer to buy them time and now it's time.

Joanne can then understand where you each are coming from on decisions when she tries to find a happy balance between funding as many agencies as possible.

We really do appreciate your work and the extra effort you are having to do this year in order to still make happen for these non-profits.



PUBLIC NOTICE:

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

2020 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 (HESG), and HOME Investment Partnerships (HOME).

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 2020 Consolidated Action Plan includes the projects proposed to be funded during Program Year 2020, October 1, 2020 through September 30, 2021. These projects are listed below by program funding source and geographic area. The recommended amount of funding for each project also is listed.

2020 COMMUNITY DEVELOPMENT BLOCK GRANT

AMOUNT OF ASSISTANCE AVAILABLE FOR FY 2020:

CDBG \$2,789,509.00

COUNTYWIDE

CDBG ADMINISTRATION
\$557,901.00

COUNTYWIDE

TREEHOUSE CAPITAL
FLOORING
\$14,200.00

COUNTYWIDE

COMPASSION UNITED CAPITAL
DAY CENTER
\$1,250,000.00

SOUTH COUNTY

EAST MAGNOLIA COMMUNITY CENTER
\$548,982.00

EAST COUNTY

MISSION NORTHEAST
WALK IN FREEZER
\$15,992.00

COUNTY WIDE

CHILDREN'S BOOKS ON WHEELS
CERTIFICATION JOB TRAINING
\$25,000.00

COUNTY WIDE

CHILDREN'S SAFE HARBOR
FORENSIC COUNSELORS
\$70,000.00

COUNTY WIDE

ACCESS BUILDS CHILDREN
SUPERVISED COURT ORDERED VISITATION
\$20,000.00

COUNTY WIDE

EDUCATIONAL OUTCOMES
GED EDUCATION
\$55,000.00

COUNTY WIDE
KEEP US FED
EMERGENCY ASSISTANCE
\$25,000.00

COUNTY WIDE
MEALS ON WHEELS
DRIVERS FOR TRANSIT BUSES
\$75,000.00

WEST COUNTY
SOCIETY OF SAMARITANS
EMERGENCY ASSISTANCE
\$31,217.00

COUNTY WIDE
SOCIETY OF SAINT VINCENT DE PAUL
EMERGENCY ASSISTANCE
\$31,217.00

COUNTY WIDE
INSPIRATION RANCH
EQUINE ASSISTED THERAPY
\$20,000.00

COUNTY WIDE
LONE STAR FAMILY HEALTH
DENTAL SUPPLIES
\$25,000.00

WEST COUNTY
TOMAGWA
MEDICAL SUPPLIES/OPS
\$25,000.00

2020 HOME INVESTMENT PARTNERSHIPS PROGRAM

AMOUNT OF ASSISTANCE AVAILABLE FOR FY 2020:
HOME \$689,810.00

COUNTYWIDE
HOME PROGRAM ADMINISTRATION
\$68,981.00

NORTH COUNTY
CHDO SET-ASIDE
WALKER-- MONTGOMERY COMMUNITY DEVELOPMENT CORPORATION
SENIOR AND DISABLED MULTI-FAMILY HOUSING
\$220,829.00

COUNTYWIDE
EASTER SEALS
DOWNPAYMENT ASSISTANCE
\$400,000.00

2020 EMERGENCY SOLUTIONS GRANT

AMOUNT OF ASSISTANCE AVAILABLE FOR FY 2020:
ESG \$224,890.00

COUNTYWIDE
ESG PROGRAM ADMINISTRATION
\$8,266.00

COUNTYWIDE
FAMILY PROMISE
\$61,457.00

EAST COUNTY
HUMBLE AREA ASSISTANCE
MINITRIES
\$50,000.00

COUNTYWIDE
MONTGOMERY COUNTY YOUTH
SERVICES
\$105,000.00

The Montgomery County 2020 Consolidated Action Plan Draft Proposed Project listing will be available for public review and comment from June 29, 2020 through July 28, 2020. 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 4:00 pm.

A public hearing will be held on Thursday, July 9, 2020 at 5:30 pm via ZOOM to receive comments from the public regarding the proposed projects for the FY 2020 Consolidated Action Plan and/or Community Development, HOME, and ESG issues.

Topic: Montgomery County Community Development
Time: Jul 9, 2020 05:30 PM Central Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/97659240693?pwd=UlhSL09ocVY2ZGIEVWRicVk4T2piQT09>

Meeting ID: 976 5924 0693
Password: mccd

One tap mobile

+13462487799,,97659240693#,,,0#,,212840# US (Houston)

+16699006833,,97659240693#,,,0#,,212840# US (San Jose)

Dial by your location

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

+1 929 436 2866 US (New York)

Meeting ID: 976 5924 0693

Password: 212840

Find your local number: <https://zoom.us/j/abKIVOvsvV>

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

2021 CDBG and HOME Grant application information will be available at www.mctx.org (Community Development Department) on or before February 1, 2021.

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 www.mctx.org.

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 affirmatively furthers Fair Housing objectives.



NOTICIA PÚBLICA:

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

PLAN DE ACCIÓN CONSOLIDADO 2020

Construir y fortalecer nuevas asociaciones con los gobiernos estatales y locales y el sector privado; El Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD, Department of Housing and Urban Development) requiere una única presentación consolidada para los aspectos de planificación y aplicación de la Subvención en bloque para el desarrollo comunitario (CDBG, Community Development Block Grant), la Subvención de Soluciones de Emergencia (ESG, Emergency Solutions Grant) y las Asociaciones de inversión de HOME (HOME).

Los objetivos de los programas de desarrollo comunitario y planificación cubiertos por el Plan Consolidado son fortalecer las alianzas con las jurisdicciones y extender y fortalecer las alianzas entre todos los niveles del gobierno y el sector privado, incluidas las organizaciones con y sin fines de lucro para permitirles: 1) proporcionar viviendas dignas, seguras y sanitarias
2) proporcionar un entorno de vida adecuado y 3) ampliar las oportunidades económicas.

El propósito del Plan Consolidado es exigir al Condado que indique en un documento su plan para alcanzar estos objetivos para todos los programas de planificación y desarrollo de la comunidad, así como para los programas de vivienda. El Plan Consolidado cumple las siguientes funciones:

1. Un documento de planificación para la jurisdicción, que se basa en un proceso participativo en los niveles más bajos
2. Una solicitud de fondos federales bajo los programas de subvención de fórmula de HUD
3. Una estrategia a seguir para llevar a cabo los programas de HUD
4. Un plan de acción que proporcione una base para evaluar el desempeño.

El Plan de Acción Consolidado para el año fiscal 2020 incluye los proyectos propuestos para ser financiados durante el año del programa 2020, desde el 1 de octubre de 2020 al 30 de septiembre de 2021. Estos proyectos se enumeran a continuación por fuente de financiamiento del programa y área geográfica. También se enumera la cantidad recomendada de fondos para cada proyecto.

SUBVENCIÓN DE BLOQUES DE DESARROLLO COMUNITARIO 2020

CANTIDAD DE ASISTENCIA DISPONIBLE PARA EL AÑO FISCAL 2020:

CDBG \$ 2,789,509.00

TODO EL CONDADO

ADMINISTRACIÓN DE CDBG

\$ 557,901.00

TODO EL CONDADO

TREEHOUSE CAPITAL

PISO

\$ 14,200.00

TODO EL CONDADO

COMPASSION UNITED CAPITAL

CENTRO DIURNO

\$ 1,250,000.00

CONDADO DEL SUR

CENTRO COMUNITARIO DE MAGNOLIA ORIENTAL

\$ 548,982.00

CONDADO DEL ESTE

MISIÓN NORESTE

ALMACEN CONGELADOR

\$ 15,992.00

TODO EL CONDADO

CHILDREN'S BOOKS ON WHEELS-PROGRAMA NIÑOS LIBROS SOBRE RUEDAS

CERTIFICACIÓN DE FORMACIÓN DE TRABAJO

\$ 25,000.00

TODO EL CONDADO

CHILDREN'S SAFE HARBOR

CONSEJEROS FORENSES

\$ 70,000.00

TODO EL CONDADO

ACCESS BUILDS CHILDREN

VISITA ORDENADA POR LA CORTE SUPERVISADA

\$ 20,000.00

TODO EL CONDADO

RESULTADOS EDUCATIVOS

EDUCACIÓN DEG

\$ 55,000.00

TODO EL CONDADO

KEEP US FED

ASISTENCIA DE EMERGENCIA
\$ 25,000.00

TODOS EL CONDADO
MEALS ON WHEELS-ALIMENTOS SOBRE RUEDAS
CONDUCTORES PARA AUTOBUSES DE TRÁNSITO
\$ 75,000.00

CONDADO OESTE
SOCIEDAD DE SAMARITANOS
ASISTENCIA DE EMERGENCIA
\$ 31,217.00

TODOS EL CONDADO
SOCIEDAD DE SAN VICENTE DE PAUL
ASISTENCIA DE EMERGENCIA
\$ 31,217.00

TODOS EL CONDADO
INSPIRATION RANCH- RANCHO INSPIRACIÓN
TERAPIA ASISTIDA EQUINA
\$ 20,000.00

TODOS EL CONDADO
SALUD FAMILIAR DE LONE STAR
SUMINISTROS DENTALES
\$ 25,000.00

CONDADO OESTE
TOMAGWA
SUMINISTROS MÉDICOS / OPS
\$ 25,000.00

PROGRAMA DE ALIANZAS DE INVERSIÓN HOME 2020

CANTIDAD DE ASISTENCIA DISPONIBLE PARA EL AÑO FISCAL 2020:
HOME \$ 689,810.00

TODOS EL CONDADO
ADMINISTRACIÓN DEL PROGRAMA HOME
\$68,981.00

CONDADO NORTE
FONDOS DE RESERVA CHDO [CHDO- ORGANIZACIÓN DE DESARROLLO DE
VIVIENDA COMUNITARIA]
CORPORACIÓN DE DESARROLLO COMUNITARIO WALKER - MONTGOMERY
VIVIENDAS MULTIFAMILIARES ADULTOS MAYORES Y DISCAPACITADOS
\$220,829.00

TODO EL CONDADO
EASTER SEALS
ASISTENCIA DE PAGO INICIAL
\$400,000.00

**CONCESIÓN DE SOLUCIONES DE EMERGENCIA [ESG, EMERGENCY SOLUTIONS
GRANT 2020]**

CANTIDAD DE ASISTENCIA DISPONIBLE PARA EL AÑO FISCAL 2020:
ESG \$ 224,890.00

TODO EL CONDADO
ADMINISTRACIÓN DEL PROGRAMA ESG
\$8,266.00

TODO EL CONDADO
FAMILY PROMISE
\$61,457.00

CONDADO DEL ESTE
MINISTERIOS DE ASISTENCIA ÁREA DE
HUMBLE
\$ 50,000.00

TODO EL CONDADO
SERVICIOS JUVENILES DEL CONDADO DE MONTGOMERY
\$ 105,000.00

El listado del Proyecto Propuesto del Plan de Acción Consolidado del Condado de Montgomery 2020, estará disponible para revisión pública y comentarios desde el 29 de junio de 2020 hasta el 28 de julio de 2020. Se motiva al público a revisar estos proyectos propuestos y enviar comentarios por escrito. El listado de proyectos propuestos puede revisarse en la Oficina de Desarrollo Comunitario del Condado de Montgomery, 501 N. Thompson, Suite 200 Conroe, Texas 77301, entre las 8:00 a.m. al mediodía 12:00 y 1:00 p.m. a 4:00 p.m.

Se llevará a cabo una audiencia pública el jueves 9 de julio de 2020 a las 5:30 p.m. a través de ZOOM para recibir comentarios del público sobre los proyectos propuestos para el Plan de Acción Consolidado FY 2020 y / o temas de Desarrollo Comunitario, HOME y ESG.

Tema: Desarrollo comunitario del Condado de Montgomery
Hora: 9 de julio de 2020 05:30 PM Hora central (EE. UU. Y Canadá)

Unirse a la reunión de Zoom

<https://zoom.us/j/97659240693?pwd=UlhSL09ocVY2ZGIEVWRicVk4T2piQT09>

ID de la reunión: 976 5924 0693

Contraseña: mccd

Unirse por teléfono móvil

+ 13462487799 `` 97659240693 # ,,,, 0 # ,, 212840 # US (Houston)

+ 16699006833 `` 97659240693 # ,,,, 0 # ,, 212840 # US (San José)

Marque por su ubicación

+1346248 7799 EE. UU. (Houston)

+1 669 900 6833 EE. UU. (San José)

+1 253 215 8782 EE. UU. (Tacoma)

+1301715 8592 EE. UU. (Germantown)

+1312626 6799 EE. UU. (Chicago)

+1929436 2866 EE. UU. (Nueva York)

ID de la reunión: 976 5924 0693

Contraseña: 212840

Encuentra tu número local: <https://zoom.us/j/97659240693?pwd=UlhSL09ocVY2ZGIEVWRicVk4T2piQT09>

Se alienta al público a enviar comentarios 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 se incorporarán al Plan consolidado y se documentarán según corresponda.

La información sobre la solicitud de 2021 CDBG y la subvención HOME estará disponible en www.mctx.org (Departamento de Desarrollo de la Comunidad) el 1 de febrero de 2021 o antes.

Las personas que deseen ver los planes quincenales consolidados de Desarrollo Comunitario del condado de Montgomery, Plan de acción, o Los Informes Anuales Integrales de Desempeño y Evaluación, pueden hacerlo en cualquiera de las Bibliotecas del Condado, o en la página web de Desarrollo Comunitario en www.mctx.org.

Las personas con discapacidades visuales o auditivas u otras personas con discapacidades que requieran ayudas y servicios auxiliares, o las personas que requieran un intérprete, deben comunicarse con el Departamento de Desarrollo de la Comunidad al (936) 538-8060 con respecto a adaptaciones razonables al menos 24 horas antes de la reunión para recibir asistencia con accesibilidad a este aviso.

El Condado de Montgomery promueve afirmativamente los objetivos de Equidad de Vivienda.

Dow, Wendy

From: Dow, Wendy
Sent: Friday, June 19, 2020 1:37 PM
To: HCN, Classified Legals (Legals@hcnonline.com)
Subject: Public Notice - Conroe Courier - 2020 CONSOLIDATED ACTION PLAN
Attachments: 2020 CDBG ESG HOME Budget AD.docx; 2020 CDBG ESG HOME Budget AD.pdf

Good afternoon-

Please add the attached public notice for the 2020 Consolidated Action Plan in the Conroe Courier 3 times;

June 28, 2020

July 6, 2020

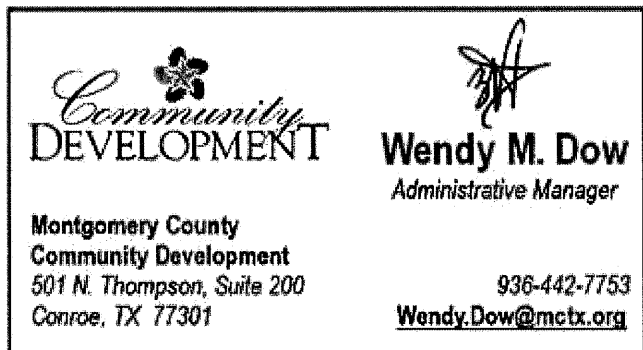
July 9, 2020

Please send me a quote for this and I will send you a PO next Monday.

Thank you and please let me know if you need anything additional.

Sincerely,

Wendy Dow



PLACE HOLDER
CONROE COURIER
AFFIDAVIT
AD NOTICE

Dow, Wendy

From: Dow, Wendy
Sent: Friday, June 19, 2020 1:38 PM
To: 'elsol1995@yahoo.com'
Subject: Public Notice - El Sol - 2020 CONSOLIDATED ACTION PLAN
Attachments: 2020 CDBG ESG HOME Budget AD.pdf; 2020 CDBG ESG HOME Budget AD.docx

Good afternoon-

Please add the attached public notice for the 2020 Consolidated Action Plan in the El Sol newspaper one time;

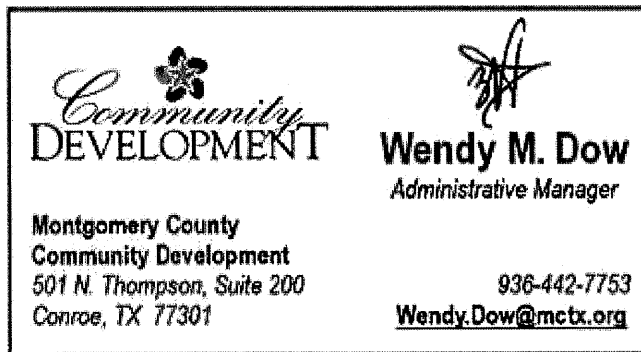
July 3, 2020

Please send me a quote for this and I will send you a PO next Monday.

Thank you and please let me know if you need anything additional.

Sincerely,

Wendy Dow





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)

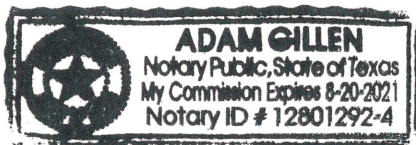
in Spanish; language; that the attached notice was published in said
(alternative language)

newspaper on the following date (s): 7-03-2020

subscribed and sworn before me this the 6th day of July, 2020

by Jorge Perez
Newspaper Representative's Signature

Adam Gillen
Notary Public in and for the State of Texas



My commission expires on Aug 20, 2021



Montgomery County Community DEVELOPMENT

NOTICIA PÚBLICA:

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

PLAN DE ACCIÓN CONSOLIDADO 2020

Construir y fortalecer nuevas asociaciones con los gobiernos estatales y locales y el sector privado; El Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD, Department of Housing and Urban Development) requiere una única presentación consolidada para los aspectos de planificación y aplicación de la Subvención en bloque para el desarrollo comunitario (CDBG, Community Development Block Grant), la Subvención de Soluciones de Emergencia (ESG, Emergency Solutions Grant) y las Asociaciones de inversión de HOME (HOME).

Los objetivos de los programas de desarrollo comunitario y planificación cubiertos por el Plan Consolidado son fortalecer las alianzas con las jurisdicciones y extender y fortalecer las alianzas entre todos los niveles del gobierno y el sector privado, incluidas las organizaciones con y sin fines de lucro para permitirles: 1) proporcionar viviendas dignas, seguras y sanitarias
2) proporcionar un entorno de vida adecuado y 3) ampliar las oportunidades económicas.

El propósito del Plan Consolidado es exigir al Condado que indique en un documento su plan para alcanzar estos objetivos para todos los programas de planificación y desarrollo de la comunidad, así como para los programas de vivienda. El Plan Consolidado cumple las siguientes funciones:

1. Un documento de planificación para la jurisdicción, que se basa en un proceso participativo en los niveles más bajos
2. Una solicitud de fondos federales bajo los programas de subvención de fórmula de HUD
3. Una estrategia a seguir para llevar a cabo los programas de HUD
4. Un plan de acción que proporcione una base para evaluar el desempeño.

El Plan de Acción Consolidado para el año fiscal 2020 incluye los proyectos propuestos para ser financiados durante el año del

ADMINISTRACIÓN DE CDBG
\$ 557,901.00

TODO EL CONDADO
TREEHOUSE CAPITAL PISO
\$ 14,200.00

TODO EL CONDADO
COMPASSION UNITED CAPITAL
CENTRO DIURNO
\$ 1,250,000.00

CONDADO DEL SUR
CENTRO COMUNITARIO DE
MAGNOLIA ORIENTAL
\$ 548,982.00

CONDADO DEL ESTE
MISIÓN NORESTE
ALMACEN CONGELADOR
\$ 15,992.00

TODO EL CONDADO
CHILDREN'S BOOKS ON WHEELS-
PROGRAMA NIÑOS LIBROS SOBRE
RUEDAS
CERTIFICACIÓN DE FORMACIÓN DE
TRABAJO
\$ 25,000.00

TODO EL CONDADO
CHILDREN'S SAFE HARBOR
CONSEJEROS FORENSES
\$ 70,000.00

TODO EL CONDADO
ACCESS BUILDS CHILDREN
VISITA ORDENADA POR LA CORTE
SUPERVISADA
\$ 20,000.00

TODO EL CONDADO
RESULTADOS EDUCATIVOS
EDUCACIÓN DEG
\$ 55,000.00

TODO EL CONDADO
KEEP US FED
ASISTENCIA DE EMERGENCIA
\$ 25,000.00

TODO EL CONDADO MEALS ON
WHEELS-ALIMENTOS SOBRE
RUEDAS

CONDUCTORES PARA AUTOBUSES DE
TRÁNSITO
\$ 75,000.00

TODO EL CONDADO
SALUD FAMILIAR DE LONE STAR
SUMINISTROS DENTALES
\$ 25,000.00

CONDADO OESTE
TOMAGWA
SUMINISTROS MÉDICOS / OPS
\$ 25,000.00

PROGRAMA DE ALIANZAS DE
INVERSIÓN HOME 2020

CANTIDAD DE ASISTENCIA
DISPONIBLE PARA EL AÑO FISCAL
2020:
HOME \$ 689,810.00

TODO EL CONDADO
ADMINISTRACIÓN DEL PROGRAMA
HOME
\$ 68,981.00

CONDADO NORTE
FONDOS DE RESERVA CHDO [CHDO-
ORGANIZACIÓN DE DESARROLLO DE
VIVIENDA COMUNITARIA]
CORPORACIÓN DE DESARROLLO
COMUNITARIO WALKER -
MONTGOMERY VIVIENDAS
MULTIFAMILIARES ADULTOS
MAYORES Y DISCAPACITADOS
\$ 220,829.00

TODO EL CONDADO
EASTER SEALS
ASISTENCIA DE PAGO INICIAL
\$ 400,000.00

CONCESIÓN DE SOLUCIONES DE EMERGENCIA [ESG, EMERGENCY SOLUTIONS GRANT 2020]

CANTIDAD DE ASISTENCIA
DISPONIBLE PARA EL AÑO FISCAL
2020:
ESG
\$ 224,890.00

TODO EL CONDADO
ADMINISTRACIÓN DEL PROGRAMA
ESG
\$ 8,266.00

TODO EL CONDADO
FAMILY PROMISE
\$ 61,457.00

CONDADO DEL ESTE
MINISTERIOS DE ASISTENCIA ÁREA
DE HUMBLE

Comunitario del Condado de Montgomery,
501 N. Thompson, Suite 200 Conroe, Texas
77301, entre las 8:00 a.m. al mediodía 12:00
y 1:00 p.m. a 4:00 p.m.

Se llevará a cabo una audiencia pública el
jueves 9 de julio de 2020 a las 5:30 p.m. a
través de ZOOM para recibir comentarios del
público sobre los proyectos propuestos para
el Plan de Acción Consolidado FY 2020 y /
o temas de Desarrollo Comunitario, HOME
y ESG.

Tema: Desarrollo comunitario del Condado
de Montgomery
Hora: 9 de julio de 2020 05:30 PM Hora
central (EE. UU. Y Canadá)

Unirse a la reunión de Zoom

<https://zoom.us/j/97659240693?pwd=UlhSL09ocVY2ZGlEVWRicVkt4T2piQT09>

ID de la reunión: 976 5924 0693
Contraseña: mccc

Unirse por teléfono móvil
+ 13462487799 `` 97659240693 # ,,, 0 # ,,
212840 # US (Houston)
+ 16699006833 `` 97659240693 # ,,, 0 # ,,
212840 # US (San José)

Marque por su ubicación
+1346248 7799 EE. UU. (Houston)
+1 669 900 6833 EE. UU. (San José)
+1 253 215 8782 EE. UU. (Tacoma)
+1301715 8592 EE. UU. (Germantown)
+1312626 6799 EE. UU. (Chicago)
+1929436 2866 EE. UU. (Nueva York)

ID de la reunión: 976 5924 0693
Contraseña: 212840
Encuentra tu número local: <https://zoom.us/j/abKIVovsvV>

Se alienta al público a enviar comentarios
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 se incorporarán al
Plan consolidado y se documentarán según
corresponda.

La información sobre la solicitud de 2021
CDBG y la subvención HOME estará
disponible en www.mctx.org (Departamento
de Desarrollo de la Comunidad) el 1 de
febrero de 2021 o antes.

Las personas que deseen ver los planes
quincenales consolidados de Desarrollo
Comunitario del condado de Montgomery,
Plan de acción, o Los Informes Anuales
Integrales de Desempeño y Evaluación,
pueden hacerlo en cualquiera de las

Dow, Wendy

From: Dow, Wendy
Sent: Friday, June 19, 2020 2:00 PM
To: Comunale, Michelle; Johnson, Jeffery; Trim, Diana; Robey, James
Subject: PUBLIC NOTICE REQUEST: 2020 CONSOLIDATED ACTION PLAN
Attachments: 2020 CDBG ESG HOME Budget AD.pdf

Importance: High

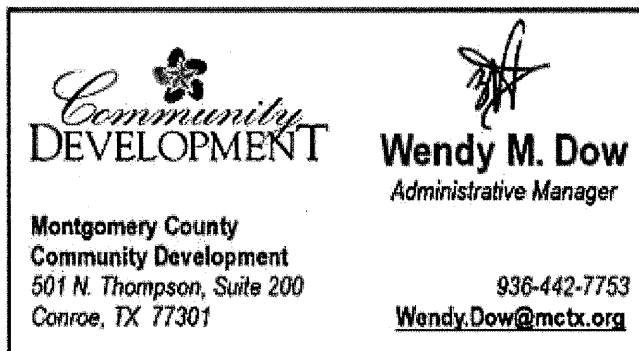
Please place the attached Public Notice – **2020 CONSOLIDATED ACTION PLAN** in a place in the following Community Centers where the public can easily view. If any of the following community centers are closed due to COVID-19 Pandemic, we understand and ask that this be posted at any that have re-opened.

Post beginning June 28, 2020 and the noticed may be removed after July 10, 2020.

- North Montgomery County Community Center
- Lone Star Montgomery Community Center
- West Montgomery County Community Center
- East Montgomery County Community Center

Thank you.

Wendy Dow



Dow, Wendy

From: Dow, Wendy
Sent: Friday, June 19, 2020 1:44 PM
To: Library Branch Managers
Subject: RE: PUBLIC NOTICE REQUEST: 2020 CONSOLIDATED ACTION PLAN

Correction – Post beginning June 28, 2020 and remove after July 10, 2020

From: Dow, Wendy
Sent: Friday, June 19, 2020 1:41 PM
To: Library Branch Managers <LibraryBranchManagers@mctx.org>
Subject: PUBLIC NOTICE REQUEST: 2020 CONSOLIDATED ACTION PLAN
Importance: High

Please place the attached Public Notice – **2020 CONSOLIDATED ACTION PLAN** in a place in the following Libraries where the public can easily view. If any of the following libraries are closed due to COVID-19 Pandemic, we understand and ask that this be posted at any that have re-opened.

Post beginning May 28, 2020 and the noticed may be removed after July 10, 2020.

- Central Library - Conroe, TX
- Charles B. Stewart-West Branch Library - Montgomery, TX
- George & Cynthia Woods Mitchell Library - The Woodlands, TX
- Malcolm Purvis Library - Magnolia, TX
- R. B. Tullis Branch Library - New Caney, TX
- R. F. Meador Branch Library - Willis, TX
- South Regional Library - The Woodlands, TX

Thank you.

Wendy Dow





**Review of the FY 2020 Consolidated Action Plan
ZOOM Meeting
MCCD Office
July 9, 2020
5:30 p.m.**

I. OPEN PUBLIC HEARING

Welcome -- Joanne Ducharme, Ph.D.

Attendee Roll Call

II. REVIEW OF THE FY 2020 CONSOLIDATED ACTION PLAN

III. DISCUSSION – COMMENTS

IV. QUESTIONS AND ANSWERS

V. ADJOURN

2020 Consolidated Action Plan Timeline

Post 2020 CDBG/HOME/ESG RFP's-Website, Email Blast & Courier/El Sol	29-Jan-20
4.14-17.20 - Public Meeting Notice 1 in Courier	COVID-19-Canceled
2020 CDBG/HOME/ESG RFP's Due to MCCC	30-Mar-20
4.14-17.20 - Public Meeting Notice in El Sol	COVID-19-Canceled
4.14-17.20 - Public Meeting Notice 2 in Courier	COVID-19-Canceled
4.14-17.20 - Public Meeting Notice 3 in Courier	COVID-19-Canceled
Public Notice for Grant Presentations posted to MCCC website	3-Feb-20
First Grant Presentation Public Hearing Lone Star Convention Center	COVID-19-Canceled
Second Grant Presentation Public Hearing Lone Star Convention Center	COVID-19-Canceled
Third Grant Presentation Public Hearing Lone Star Convention Center	COVID-19-Canceled
7.09.20 – 2020 Proposed Projects Public Meeting Notice 1 in Courier	28-Jun-20
Beginning of Thirty-Day Comment Period	29-Jun-20
Complete Draft of 2020 Consolidated Action Plan/Summary	8-Jul-20
7.09.20- 2020 Proposed Projects Public Meeting Notice in El Sol	3-Jul-20
7.09.20- 2020 Proposed Projects Public Meeting Notice 2 in Courier	6-Jul-20
Final Public Hearing-2020 Action Plan Lone Star Convention Center	9-Jul-20
7.09.20 - 2020 Proposed Projects Public Meeting Notice 3 in Courier	9-Jul-20
End of Thirty-Day Comment Period	28-Jul-20
2020 Cons. Action Plan on Commissioners Court Agenda, Approval, Signature	14-Jul-20
Submit Final Consolidated Plan to HUD - IDIS (45 days prior to fiscal year)	1-Aug-20
HUD Review of 2020 Annual Plan Document	15-Aug-20-30-Sep-20
Start of FY 2020 Program Year	1-Oct-21

To obtain a FY 2021 RFP/Application, please download it from the Montgomery County Community Development website, https://www.mctx.org/departments/departments_a_-_c/community_development/applications.php after February 1, 2021. If you need additional information, please contact Joanne Ducharme, Ph.D., Director of Community Development at (936) 538-8060.

PLACE HOLDER
COMMISSIONERS COURT
AGENDA & MINUTES

APPENDIX A

ACCOUNTING PROCEDURES
MANUAL FOR MCTX

**MONTGOMERY COUNTY TEXAS
ACCOUNTING PROCEDURES MANUAL
ACCOUNTS PAYABLE SECTION**

REFERENCES:

**STATE OF TEXAS LOCAL GOVERNMENT CODE
MONTGOMERY COUNTY PURCHASING MANUAL
MONTGOMERY COUNTY PROCUREMENT CREDIT CARD POLICIES
MONTGOMERY COUNTY EMPLOYEE POLICY MANUAL
MONTGOMERY COUNTY PROMPT PAYMENT POLICY**

BACKGROUND:

The accounts payable section of the Auditor's Office is the section that processes all claims against the County.

The section is charged with insuring that all claims against the County are legitimate and legal claims, complying with:

1. Federal Law
2. State Statutes
3. County Policy

PROCEDURE:

1. Time and date stamp all documents received in the Auditor's Office.
2. Match all documents received from vendors, operating departments, and purchasing.
3. Audit all claims for:
 - for accuracy of calculations
 - proper authorizations and support
 - compliance with State Statutes
 - compliance with purchase orders and contracts
4. Follow-up with operating departments to resolve any issues or obtain missing documentation..
5. Follow-up with vendors to obtain missing invoices or determine ordering departments.
6. Follow-up on vendor inquiries and statements to resolve outstanding issues.
7. Prepare authorized claims for Commissioners' Court ``approval for payment.
8. Maintain all claim records.

**MONTGOMERY COUNTY TEXAS
ACCOUNTING PROCEDURES MANUAL
ACCOUNTS PAYABLE SECTION
PROMPT PAYMENT POLICY**

In accordance with Texas Local Government Code, Section 113.064(a), "[i]n a county that has the office of county auditor, each claim, bill, and account against the county must be filed in sufficient time for the auditor to examine and approve it before the meeting of the commissioners court. A claim, bill or account may not be allowed or paid until it has been examined and approved by the auditor." Verification (i.e., examination and approval) under these statutes relate to the claims approval process and includes, but is not limited to, all County purchases, any service rendered to the County, and refund requests made to the County.

Pursuant to Texas Government Code, Section 2251.021, "... a payment by a governmental entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of;

1. The date the governmental entity receives the goods under the contract;
2. The date the performance of the service under the contract is completed; or
3. The date the governmental entity receives an invoice for the goods or service. "

Pursuant to Texas Government Code, Section 2251.042(a), "A governmental entity shall notify a vendor of an error in an invoice submitted for payment by the vendor not later than the 21st day after the date the entity receives the invoice."

Pursuant to Texas Government Code, Section 2251.002, Chapter 2251 "... does not apply to a payment made by a governmental entity ... if ...;

1. there is a bona fide dispute between the political subdivision and a vendor, contractor, subcontractor, or supplier about the goods delivered or the service performed that causes the payment to be late;
2. there is a bona fide dispute between a vendor and a subcontractor or between a subcontractor and its supplier about the goods delivered or the service performed that causes the payment to be late;
3. the terms of a federal contract, grant, regulation, or statute prevent the governmental entity from making a timely payment with federal funds; or
4. the invoice is not mailed to the person to whom it is [to be] addressed in strict accordance with any instruction on the purchase order relating to the payment."

Montgomery County purchase orders require invoices to be sent directly to the County Auditor. Therefore, invoices sent by the vendor directly to a County department are not subject to the 30 day payment provisions until they are received by the County Auditor -- Accounts Payable Section.

The 21 day period for disputing an invoice will commence on the same date as for the 30 day payment obligation.

**MONTGOMERY COUNTY TEXAS
ACCOUNTING PROCEDURES MANUAL
ACCOUNTS PAYABLE SECTION
PROMPT PAYMENT POLICY**

Once the County Auditor approves a claim for payment, the Commissioners' Court must give the final approval for payment of all claims against the County prior to the release of a check to the vendor.

Commissioners' Court meets every two weeks, (due to scheduling there may, on occasion, be three weeks between meetings), at which meeting payment may be approved for claims presented.

To have the claims ready for Commissioners' Court approval on any regular Monday court date for payment and release of checks to vendors on that Monday, claims processing for the period must be finalized before the Friday before Court.

To provide sufficient time to review and approve claims for submission to the Commissioners' Court, all documentation must be received in the Auditor's Office no later than 8:00AM the Wednesday before Commissioners' Court.

NOTE: Depending on the volume and complexity of documents received, there is still the possibility of not having sufficient time to process all claims received in time for the next Monday Commissioners' Court. It is imperative that documents be forwarded to the County Auditor's Office as soon as possible to allow sufficient review time within the payment deadline window.

It is the responsibility of each Department to ensure that all necessary documentation and approvals to enable the Auditor's office to verify the validity of a claim against the County, are received in the Auditor's office sufficiently in advance of a Commissioners' Court date, to meet the Prompt Payment Act requirements and payment due dates of their vendor to avoid late charges. Funding for any late charges must be absorbed by the departmental budget, or other available funds appropriated for the particular project costs, or the department head may request Commissioners' Court approval to transfer the necessary funds from contingency.

Fund Balance Policy

Fund Balance Classifications

In accordance with Governmental Accounting Standards Board (GASB) requirements, as outlined in Statement 54, the County's Fund Balances will be classified into 5 categories: Non-spendable, Restricted, Committed, Assigned and Unassigned.

- **Non-spendable Fund Balance** – Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples of fund balances that are classified as non-spendable include inventories and pre-pays.
- **Restricted Fund Balance** – Represents amounts that are restricted to specific purposes, with constraints placed on the use of resources by (a) external creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Examples of fund balances that are classified as restricted would include grant obligations and debt service.
- **Committed Fund Balance** – Represents amounts that can only be used for specific purposes that have imposed constraints by formal action of the government's highest level of decision making authority. The Commissioners Court represents the highest level of decision making authority for Montgomery County. The Court shall approve all commitments, as well as removal of commitments, by quorum vote. Examples of fund balances that are classified as committed would include uses of the proceeds from the sale of the Joe Corley Detention Facility as approved by Commissioners' Court.
- **Assigned Fund Balance** – Represents the amounts that reflect a government's intended use of resources. Such intent would be established at either the highest level of decision making authority, or by an official designated for that purpose. The Commissioners' Court delegates the responsibility of assigning funds to the County Auditor. Assignments may be necessary for items such as other post-employment benefits, claims and judgments, transfers to special revenue funds, etc.
- **Unassigned Fund Balance** – Represents the residual amount in the general fund which has not been restricted, committed, or assigned to specific purposes.

Governmental Fund Types:

- **Debt Service Funds** - Fund balance in these funds will be restricted for the payment of principal and interest on debt service obligations. Any funds that are remaining after all debt is extinguished will be transferred to the general fund to be used for any general purpose.
- **Capital Project Funds** - Fund balance in the capital funds will be classified as restricted to the purpose for which the debt was issued.
- **Special Revenue Funds** - Fund balance in the special revenue funds will be classified as restricted to the extent that the proceeds are generated through enabling legislation or externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

- General Fund - Fund balance in the general fund will be classified as restricted, nonspendable, committed, assigned or unassigned.

Order of Resource Use:

When expenditures are incurred for purposes for which restricted and unrestricted funds are available, it is the County's policy to use restricted funds first. When expenditures are incurred for purposes for which amounts in unrestricted funds are available, the county will consider first reducing committed funds, then assigned, followed by unassigned.

Minimum Fund Balance Policy:

Commissioners' Court has established a minimum fund balance policy with the intent to maintain a minimum unassigned fund balance in the general operating fund of 10 to 15 percent of the annual operating expenditures as presented in its annual financial report in any one fiscal year.

APPENDIX B

ACRONYMS GUIDE

GUIDE TO ACRONYMS

AFFH Affirmatively Furthering Fair Housing. Federal requirements attached to ALL activities, even if they don't have anything to do with housing itself. Autumn handles this.

AI Analysis of Impediments to Affirmatively Furthering Fair Housing. The AI must be conducted every five years and updated annually, to look for discriminatory practices in the jurisdiction.

AMI Area Median Income. Established every year.

BFE Basal Flood Elevation. All construction must be at least 1 foot above the BFE for the location.

CAPER Consolidated Annual Performance and Evaluation Report. We submit this to HUD by December 31 for the prior fiscal year.

CBDO Community Based Development Organization. Neighborhood groups eligible for funding.

CDBG Community Development Block Grant. Capital projects, housing rehab/replacement/demolition, operating funds to nonprofits (up to 15% of grant) 20% Admin

CHDO Community Housing Development Organization. Can be nonprofit or for profit.

Con Plan The 5-Year Consolidated Plan prepared by the county to guide funding.

CoC The Continuum of Care. This is a framework for organizing homeless services, from prevention through sheltering and on to transitional then permanent housing. Montgomery Co's CoC is managed by the Homeless Coalition.

CPD Community Planning and Development. This is the department of HUD which handles CDBG

Davis-Bacon A congressional act requiring minimum wage standards for federally funded construction jobs. We handle most of these duties internally.

DV Domestic Violence

FMR/AMR Fair Market Rent/Area Median Rent The FMR is how much HUD says is the maximum which can be charged for a subsidized unit, and it is based on the AMR. FMR rent caps are published annually by bedroom size.

FTHB First Time Homebuyer Program. We give down payment assistance to first time homebuyers, who are defined, amazingly enough, as people who haven't owned a house in the last three years!

FY Fiscal Year. We run one year behind the federal budget. In other words, in October 1, 2019, we begin our FY 2019 year but HUD begins FY 2020. This is because HUD has to wait until THEIR allocation from Congress arrives on Oct 1 of each year to begin their own budgeting and distributions to the Entitlements. We generally learn in January what our next year's allocation will be and must take

several months to in turn figure out our budgeting and distributions to subrecipients. By the time we distribute to subrecipients, we are using money that was allocated to Congress a year before.

GLO The General Land Office of the state of Texas. Currently handles disaster recovery programs.

HESG/ESG Emergency Solutions Grant/Emergency Shelter Grant. Homeless services. The program changed from Shelter Emphasis to Rapid Re-Housing Emphasis, and therefore changed name.

H-GAC Houston-Galveston Area Council. Regional coalition of governments, eight counties. Oversee disaster recovery grants, mobility, and sustainability initiatives.

HMIS Homeless Management Information System. This is literally a database managed by the Homeless Coalition and required by HUD, to track the movements of the homeless.

HOME Home Investments Partnership. Housing development, down payment assistance. 10% Admin, but project delivery can come out of CDBG. Minimum 15% must go to qualified CHDO.

HOPWA Housing Opportunities for People With Aids. Montgomery County does not receive this grant, as we do not have enough AIDS cases in the county.

HUB/WOB/MOB Historically Underutilized Business/Women Owned Business/Minority Owned Business. Federal requirements for giving greater contracting opportunity to these entities.

HUD Housing and Urban Development.

LMA Low/Moderate Income Area. If more than 51% of the people living in a particular area are LMI, it is an LMA

LMI Low/Moderate Income. This determination is based on the AMI – Area Median Income – which is calculated every year by HUD and announced in February. CDBG only serves those who are LMI, which is 80% or less of AMI. LMI is calculated by family size.

MCCD Montgomery County Community Development.

MOD Method of Distribution of funds

MSA Metropolitan Statistical Area Ours is labeled Houston-Baytown-Sugarland.

PHA Public Housing Authority. Montgomery County has an HA – a Housing Authority that only gives out Section 8 Vouchers but doesn't own any Public Housing

PJ Participating Jurisdiction. Those who receive HUD Entitlement funds. In Montgomery County there are two – the county, and the City of Conroe.

Precinct 1 North from Conroe to County Line, east and west almost the entire northern tier. Cities are part of Conroe, Willis, New Waverly, part of Montgomery, Dobbin, Panorama Village.

Precinct 2 Southwest from Conroe all the way to the County Line, below TX 105. Cities are Magnolia, Pine Top, Stagecoach, part of The Woodlands.

Precinct 3 Southern part of the county east and west of I 45. Smallest because population densest. Cities include The Woodlands, Oak Ridge North, Shenandoah.

Precinct 4 Eastern part of county east of Conroe, stretching south of TX 105 to County line. Encompasses Hwy 59. Cities include Splendora, New Caney, Porter, Woodloch, Woodbranch, and Patton Village, Tamina, Sleepy Hollow.

Public Service The nonprofits who are funded for operational costs. Highly competitive 15% of the CDBG grant. Also called Social Services.

Section 3 A Federal requirement that contractors building with federal dollars must make efforts to hire low income locals. We handle most of their duties internally.

Tax Credits This is a program of the state where private, for-profit apartment developers can get 4% or 9% tax credits – literally, the state allows them to write off 4% or 9% of their owed taxes every year – in exchange for constructing apartment complexes with reduced rents for low income people, at or below 60% AMI. The tax credits are “syndicated” – every investor who contributes to the costs of construction gets a piece of the tax credit

URA Uniform Relocation Act. When we work on a home or business, or demolish to re-develop, we are responsible for relocating the existing tenants using federal relocation rules.

APPENDIX C

AFFIRMATIVE ACTION PROGRAM GUIDELINES

AFFIRMATIVE ACTION PROGRAM GUIDELINES

Contracts with Montgomery County Community Development come with a long list of civil rights requirements. Before the subrecipient can begin drawing funds on the grant, it must submit an Affirmative Action Plan to Community Development for approval. Below are the elements which must be addressed in the Plan. The Plan should state HOW the agency will ensure each of these elements will occur. It is not sufficient to simply state THAT they will occur.

Requirement 1:

Agency Employment. The Executive Order 11246 prohibits federal contractors (in this case, you, the subrecipient) and federally-assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in *employment* decisions on the basis of race, color, religion, sex, or national origin. The Executive Order also requires Government contractors to take affirmative action to *ensure that equal opportunity is provided in all aspects of their employment.*

Guidance:

The Subrecipient should address each of these two issues separately. **How will you ensure that your employment decisions are not discriminatory?** (For example: “Blind” screening of applications, a diverse employee committee, etc.) **What actions will you take to actively encourage candidates from these listed protected classes to apply for your positions?** (For example: Advertise in a minority newspaper, state that minority candidates are encouraged to apply, provide extra scoring points for eligible protected classes, etc.) PLEASE NOTE that “employment decisions” do not just mean hiring. It also includes promotion, demotion, transfer, pay, termination and other employment decisions.

This rule does not apply to religious organizations, societies, educational entities, or specific other types of agencies who have a justifiable and legal reason to exclude certain protected classes from employment.

A fuller version of the employment law is at the bottom of this document. Please read carefully. The rule includes actions such as sending notices of jobs to Unions, include specific non-discrimination language in all contracts in order to bind vendors and

subcontractors, and other requirements. Any requirements which pertain to you must be covered in your Plan.

Requirement 2:

Affirmative outreach. The subrecipient must make known that the use of its facilities, assistance, and services are available to all on a nondiscriminatory basis. If it is unlikely that the procedures that the subrecipient intends to use to make known the availability of the facilities, assistance, and services will reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for those facilities and services, the subrecipient must establish additional procedures that ensure that those persons are made aware of the facilities, assistance, and services. The recipient and its subrecipients must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. Consistent with Title VI and Executive Order 13166, recipients and subrecipients are also required to take reasonable steps to ensure meaningful access to programs and activities for limited English proficiency (LEP) persons.

Guidance:

This outreach requirement is similar to the requirement for advertising employment, except that PLEASE NOTE the list of “protected classes” changed in this requirement. Unlike with hiring employees, when it comes to providing services in the community, you must also consider age, disability and familial status in your Plan. The key to this requirement is that an agency may not just sit back and wait for clients to find it, rather you must make sure that members of the listed protected classes are aware of the availability of services provided by your agency. Particularly in the case of language barriers, this can be a challenge. **How will the agency market services?** (For example: In minority-focused and alternate-language publications, via promotional materials distributed to specific groups or in particular locations, via consultation with community leaders of the protected classes, etc.) **How will the subrecipient ensure that members of the protected classes are able to benefit from the services?** (For example: Translators, telephonic equipment for the deaf, wheelchair ramps, annual cultural sensitivity training for staff, etc.)

Requirement 3:

Nondiscrimination and equal opportunity. (1) The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 et seq.; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959–1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d- 2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq.; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women’s Business Enterprise).

Guidance:

The federal regulations, as referenced above, can be daunting. The above rule states that you will not discriminate in the provision of housing or shelter, not discriminate in the use of housing paid for with federal grant funds, not discriminate in the distribution of services or financial aid, in the hiring of employees, in contracting with vendors or, if applicable, in assisting others to develop businesses. But not only do you agree NOT TO DISCRIMINATE against all the protected classes (race, color, religion, sex, or national origin) or against the other vulnerable portions of the population (disabled, different age groups, non-English speakers), but that you also agree to ACTIVELY SEEK OUT AND ENGAGE these groups to make sure they know about and are comfortable accessing your services, contracts, and jobs. **How will you locate these groups to target your services to?** (For example: street outreach in specific neighborhoods, posters at the VA Clinic, ads in church bulletins, etc.) **How will you ensure protected classes feel comfortable in your facility?** (For example: Easy door access into a main client area, translators on site, large print forms, pictorial signs, etc.). **How will you make sure your housing (if applicable) is accessible? How will you identify and invite minority businesses to bid on your jobs?**

Requirement 4:

Eligibility for HUD-assisted or insured housing. A determination of eligibility for housing that is assisted by HUD or subject to a mortgage insured by the Federal Housing Administration shall be made in accordance with the eligibility requirements provided for such program by HUD, and such housing shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

There is a Prohibition of inquiries on sexual orientation or gender identity. No owner or administrator of HUD-assisted or HUD-insured housing, approved lender in an FHA mortgage insurance program, nor any (or any other) recipient or subrecipient of HUD funds may inquire about the sexual orientation or gender identity of an applicant for, or occupant of, HUD-assisted housing or housing whose financing is insured by HUD, whether renter- or owner-occupied, for the purpose of determining eligibility for the housing or otherwise making such housing available. This prohibition on inquiries regarding sexual orientation or gender identity does not prohibit any individual from voluntarily self-identifying sexual orientation or gender identity. This prohibition on inquiries does not prohibit lawful inquiries of an applicant or occupant's sex where the housing provided or to be provided to the individual is temporary, emergency shelter that involves the sharing of sleeping areas or bathrooms, or inquiries made for the purpose of determining the number of bedrooms to which a household may be entitled.

Guidance:

This rule adds another protected class which must be addressed separately from the others in your Plan. Persons may not be denied access to housing based on sexual orientation or gender identity. **How will you guarantee that staff are not asking potential or current clients about their sexual orientation or gender identity?** (For example: Agency Policy and Procedure, Staff discrimination training, recorded phone calls for quality, staff supervision, etc.). PLEASE NOTE that, while staff cannot ask these questions for the purpose of providing services or individual housing, staff MAY lawfully ask for the purposes of making arrangements in shelters or group homes. Housing must still be provided, but may be treated as an accommodation in a manner similar to accommodations for disabilities. **How will you ensure that persons are not denied services or housing based on gender identity or sexual orientation?**

Requirement 5:

Nondiscrimination Provisions in Federally Assisted Construction Contracts Each agency which administers a program involving Federal financial assistance shall require as a condition for the approval of any grant, contract, loan, insurance, or guarantee thereunder, which may involve a construction contract, that the applicant for Federal assistance undertake and agree to incorporate, or cause to be incorporated, into all

construction contracts paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to such grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the provisions prescribed for Government contracts by Section 202 of this Order. Each such applicant shall also undertake and agree (1) to assist and cooperate actively with the Secretary of Labor in obtaining the compliance of contractors and subcontractors with those contract provisions and with the rules, regulations and relevant orders of the Secretary, (2) to obtain and to furnish to the Secretary of Labor such information as the Secretary may require for the supervision of such compliance, (3) to carry out sanctions and penalties for violation of such obligations imposed upon contractors and subcontractors by the Secretary of Labor pursuant to Part II, Subpart D, of this Order, and (4) to refrain from entering into any contract subject to this Order, or extension or other modification of such a contract with a contractor debarred from Government contracts under Part II, Subpart D, of this Order.

a. "Construction contract" as used in this Order means any contract for the construction, rehabilitation, alteration, conversion, extension, or repair of buildings, highways, or other improvements to real property.

b. Omitted because not relevant

c. The term "applicant" as used in this Order means an applicant for Federal assistance or, as determined by agency regulation, other program participant, with respect to whom an application for any grant, contract, loan, insurance, or guarantee is not finally acted upon prior to the effective date of this Part, and it includes such an applicant after he/she becomes a recipient of such Federal assistance.

.In the event an applicant fails and refuses to comply with the applicant's undertakings pursuant to this Order, the Secretary of Labor may, after consulting with the administering department or agency, take any or all of the following actions: (1) direct any administering department or agency to cancel, terminate, or suspend in whole or in part the agreement, contract or other arrangement with such applicant with respect to which the failure or refusal occurred; (2) direct any administering department or agency to refrain from extending any further assistance to the applicant under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received by the Secretary of Labor from such applicant; and (3) refer the case to the Department of Justice or the Equal Employment Opportunity Commission for appropriate law enforcement or other proceedings.

In no case shall action be taken with respect to an applicant pursuant to clause (1) or (2) of subsection (b) without notice and opportunity for hearing.

Guidance:

The above law is for your information. If your agency contracts for construction or remodeling work, you must put into the contract that the vendors will comply with all the same laws regarding anti-discrimination. In the event you use ESG funds for construction activities, Montgomery County Community Development will handle these requirements on your behalf.

Section 3 for Construction Projects. Emergency Solutions Grant rules require that subrecipients comply with the rules of Section 3 of the HUD Act of 1968, except that homeless individuals have priority over other Section 3 residents in accordance with § 576.405(c). Section 3 is a designation for low income local residents and businesses either owned by a low income person or which has at least 30% low income employees. If a subrecipient is using ESG funds for a construction project, any job openings that the construction contractors have during the course of the construction must be advertised on the job site and sent out to organizations who may be able to assist low income residents to apply. Priority must be given to a qualified low income resident over a qualified non-low income resident in the hiring process. If the subrecipient is planning a construction project, Montgomery County Community Development will handle the Section 3 requirements.

Selections from the Employment Law:

During the performance of this contract, the contractor agrees as follows:

- 1.The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- 2.The contractor will, in all solicitations or advancements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

3.The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5.The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6.In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

7.The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States." [Sec. 202 amended by EO 11375 of Oct. 13, 1967, 32 FR 14303, 3 CFR, 1966-1970 Comp., p. 684, EO 12086 of Oct. 5, 1978, 43 FR 46501, 3 CFR, 1978 Comp., p. 230]

a.Each contractor having a contract containing the provisions prescribed in Section 202 shall file, and shall cause each of his subcontractors to file, Compliance Reports with the contracting agency or the Secretary of Labor as may be directed. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Secretary of Labor may prescribe.

c.Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or an agency referring workers or providing or

supervising apprenticeship or training for such workers, the Compliance Report shall include such information as to such labor union's or agency's practices and policies affecting compliance as the Secretary of Labor may prescribe: Provided, That to the extent such information is within the exclusive possession of a labor union or an agency referring workers or providing or supervising apprenticeship or training and such labor union or agency shall refuse to furnish such information to the contractor, the contractor shall so certify to the Secretary of Labor as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

c. Section 202 of this Order shall not apply to a Government contractor or subcontractor that is a religious corporation, association, educational institution, or society, with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities. Such contractors and subcontractors are not exempted or excused from complying with the other requirements contained in this Order.

APPENDIX D

ANTI-DISPLACEMENT AND RELOCATION PLAN

**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: (i) 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 570.302(a)(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 570.458 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.
- (iii) 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 units with two 1-bedroom units) unless Montgomery County has provided the information required (iii)(G) 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 State 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 60 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 participated 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.

ARAP

APPENDIX E

AP PROMPT PAY POLICY FOR MCTX

**MONTGOMERY COUNTY TEXAS
ACCOUNTING PROCEDURES MANUAL
ACCOUNTS PAYABLE SECTION
PROMPT PAYMENT POLICY**

In accordance with Texas Local Government Code, Section 113.064(a), “[i]n a county that has the office of county auditor, each claim, bill, and account against the county must be filed in sufficient time for the auditor to examine and approve it before the meeting of the commissioners court. A claim, bill or account may not be allowed or paid until it has been examined and approved by the auditor.” Verification (i.e., examination and approval) under these statutes relate to the claims approval process and includes, but is not limited to, all County purchases, any service rendered to the County, and refund requests made to the County.

Pursuant to Texas Government Code, Section 2251.021, “... a payment by a governmental entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of:

1. The date the governmental entity receives the goods under the contract;
2. The date the performance of the service under the contract is completed; or
3. The date the governmental entity receives an invoice for the goods or service.”

Pursuant to Texas Government Code, Section 2251.042(a), “A governmental entity shall notify a vendor of an error in an invoice submitted for payment by the vendor not later than the 21st day after the date the entity receives the invoice.”

Pursuant to Texas Government Code, Section 2251.002, Chapter 2251 “... does not apply to a payment made by a governmental entity ... if ...;

1. there is a bona fide dispute between the political subdivision and a vendor, contractor, subcontractor, or supplier about the goods delivered or the service performed that causes the payment to be late;
2. there is a bona fide dispute between a vendor and a subcontractor or between a subcontractor and its supplier about the goods delivered or the service performed that causes the payment to be late;
3. the terms of a federal contract, grant, regulation, or statute prevent the governmental entity from making a timely payment with federal funds; or
4. the invoice is not mailed to the person to whom it is [to be] addressed in strict accordance with any instruction on the purchase order relating to the payment.”

Montgomery County purchase orders require invoices to be sent directly to the County Auditor. Therefore, invoices sent by the vendor directly to a County department are not subject to the 30 day payment provisions until they are received by the County Auditor – Accounts Payable Section.

The 21 day period for disputing an invoice will commence on the same date as for the 30 day payment obligation.

**MONTGOMERY COUNTY TEXAS
ACCOUNTING PROCEDURES MANUAL
ACCOUNTS PAYABLE SECTION
PROMPT PAYMENT POLICY**

Once the County Auditor approves a claim for payment, the Commissioners' Court must give the final approval for payment of all claims against the County prior to the release of a check to the vendor.

Commissioners' Court meets approximately every two weeks. Payment for claims presented may be approved at that meeting.

In order to have the payment of claims ready for Commissioners' Court approval on any regular court date and the release of checks to vendors on that same day, claims for that period must be finalized in time to be included on that court date's agenda.

To provide sufficient time to review and approve claims for submission to Commissioners' Court, all documentation must be received in the Auditor's Office by the Accounts Payable deadline of 5:00PM the Friday before the agenda deadline for that court date. This is normally ten days prior to the scheduled court date.

NOTE: Depending on the volume and complexity of documents received, there is still the possibility of not having sufficient time to process all claims received in time for the next Commissioners' Court. It is imperative that documents be forwarded to the County Auditor's Office as soon as possible to allow sufficient review time within the payment deadline window. Submitting an item to the Auditor's office by the Accounts Payable deadline does not guarantee that payment will be processed for that same court date.

It is the responsibility of the Department to ensure that all necessary documentation is properly submitted to enable the Auditor's office to verify the validity of a claim against the County. Funding for any late charges must be absorbed by the departmental budget, or other available funds appropriated for the particular project costs, or the department head may request Commissioners' Court approval to transfer the necessary funds from contingency.

APPENDIX F

BUDGET POLICIES FOR MCTX

Budget Policies

- I. Budget Authority
 - a. Commissioners Court- Pursuant to Local Government Code Section 111.070 the Commissioners Court may spend county funds only in strict compliance with the budget. The Commissioners Court may amend the budget to transfer an amount budgeted for one item to another budgeted item without authorizing an emergency expenditure.
 - b. Budget Office
 - i. Appointed by the Commissioners Court to prepare the annual Fiscal Year Budget for the County.
 - ii. Annual Budget must be a balanced budget reflecting the revenues certified by the County Auditor's Office.
 - iii. Prepares and/or processes transfers, amendments, and adjustments to County Budget.
 - iv. Maintains long term plan of the County including Operations and Capital Plans.
- II. Budget Transfers
 - a. A budget transfer is an intra-department transfer in the same department. The transfer can occur between different cost centers and line items but the budget must be managed by the same department or elected officials.
 - b. Most of the county budget changes are these. i.e. moving stationary and supplies to other supplies.
 - c. These transfers can be processed and posted without immediately court authority but will be submitted for record at a minimum of once per month, compiled and submitted by the Budget Office in the Consent Section of the Agenda.
 - d. Departments cannot transfer operations (7300-7599) monies to salary line items (7100-7299) or vice versa without prior Court approval. If these transfers are requested in Commissioner's Court prior notice should be given to the Budget Office at least six days before the scheduled Commissioner's Court.
 - e. Budget transfers should be requested by the Department to the Budget Office by electronic format via either email or the budget transfer form. The Budget Office will process the transfer within two business days and send to the County Auditor for posting.
- III. Budget Adjustments
 - a. A budget adjustment is an inter-department or inter-fund transfer, a transfer done from one department or fund to another department or fund.
 - b. These adjustments are limited to \$3,000 per transfer for processing and posting without prior approval from the Commissioner's Court.
 - c. Exceptions to the \$3,000 transfer rule
 - i. When a department is transferring money to Building Maintenance for a furniture buildout or facility improvements. Any remodels should have prior approval from Commissioner's Court.

- ii. When the Budget Office is allocating monies from non-departmental or contingency into the various departments or vice-versa for vacancy adjustments, utility allocations, burial allocations, step-plan transfers, fuel, vehicle funding, or other restricted lines.
- d. Departments cannot transfer operations (7300-7599) monies to salary line items (7100-7299) or vice versa without prior Court approval. If these transfers are requested in Commissioner's Court prior notice should be given to the Budget Office at least six days before the scheduled Commissioner's Court.
- e. Budget adjustments should be requested by the Department to the Budget Office by electronic format via either email or the budget transfer form. The Budget Office will process the adjustment within two business days and send to the County Auditor for posting.

IV. Budget Amendments

- a. A budget amendment is when the overall revenue or expense of the County is changed.
- b. Revenue reconciliation, contract position changes, grants all fall into the category of budget amendments.
- c. A budget amendment requires Commissioner's Court approval before being posted to the general ledger.

V. Vacancy Adjustments

- a. Each month the Budget Office will perform a Vacancy Analysis for the departments in the General Fund and Special Revenue Funds i.e. Jury Fund.
- b. The Budget Office will use the following formula in each position to calculate the salary transfer:

Budgeted Salary - Contract Pay - Payout +/- Difference in compensation between new Hire and Incumbent - any OT Overage associated with vacancy

- c. The Budget Office will then process an adjustment between the associated department and contingency for Salary, FICA, and Retirement
- d. For Law Enforcement Departments- Sheriff's Office, Constable Precinct 1, Constable Precinct 2, Constable Precinct 3, Constable Precinct 4, Constable Precinct 5, Fire Marshal, District Attorney's Office, County Attorney Office, the analysis will be completed but not processed until a quarterly meeting with those offices to discuss their needs and then address those needs to Commissioners Court.

VI. STEP Plan/Montgomery County Salary Schedule

- a. The Human Resource Office maintains and updates the Montgomery County Salary Grade Structure
- b. The Budget Office maintains and updates the Montgomery County STEP Plan Structure
- c. The Budget Office will maintain the trial balances of Step Plan Funding, Longevity Funding, Certification Funding, and Position Funding. Transfers between the holding accounts will be completed by the Budget Office.
- d. When an Officer steps in the plan the law enforcement department must provide a Payroll Change Request form (PCR) to the Budget Office within 28 days of the

Step. If the law enforcement department fails to provide the PCR, the department must wait until the next budget cycle to correct the salary.

- e. Promotions or Merit Increases for Non-Law Enforcement positions should be provided to the Budget Office via a Payroll Change Request form (PCR)
- f. Promotions, Step Increases, Merit Increases, and Transfers should have an effective date of the beginning of the pay period.
- g. A PCR cannot have a proposed salary that is higher than the budgeted position salary with the exception of law enforcement or certification pay.
- h. The 3% Cost of Living Adjustment provided by Commissioner's Court will go into effect October 6th 2018.

VII. Carryover Procedures

- a. Any department that requests FY2018 funds to be moved or carried into the FY2019 budget should submit those to the Budget Office by October 15th.
- b. The rollover budget adjustments for departments will be presented to court for approval in late October/early November.
- c. Once an item is deemed necessary for a carryforward it will show up in the 7997 line of the department. Departments cannot make any releases or expend from this line but should request a transfer to the applicable line the future expense will be paid.
- d. All leftover carryforwards from FY2017 that have not been used or requested for additional carryforward will be returned to fund balance at the end of FY2018.
- e. Carryforwards for salaries or benefits must be put on the open section of a Commissioner's Court meeting for discussion.

APPENDIX G

CDBG SUB-RECIPIENT GUIDEBOOK

THE COUNTY OF MONTGOMERY SUBRECIPIENT GUIDEBOOK AND POLICIES

BACKGROUND:

Montgomery County receives a yearly allocation through the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) program. The county is using funds to improve housing, provide transitional homes for the homeless, build multi-purpose centers, road improvements, public services, and economic opportunities in the low-income areas.

Activities funded through the Community Development Block 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 outside 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.

POLICY STATEMENT:

It is a policy of Montgomery County that:

1. No more than 15% of the Community Development Block Grant funds will be allocated annually for public service activities as defined by HUD regulations. Public service activities are defined as those activities “including but not limited to services concerned with counseling for youth, services for youth, housing for youth and elderly, medical coverage, crime prevention, drug abuse, health, education, energy conservation, child care, and recreational needs.” Funds will be directed to activities that will result in providing a new quantifiable increase in service that will primarily benefit low and moderate-income residents. CDBG funds will not be used to maintain an existing level of service.
2. CDBG 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.
3. Funding for activities which will benefit Montgomery County residents and 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 to benefit.

4. The duration of CDBG funding of operation expenses for any program or activity is intended not to exceed three consecutive years. Agencies should pursue other sources of funding to replace CDBG funding after this time. However, upon recommendation by the Montgomery County Community Development Advisory Committee, CDBG funding beyond three years may be approved if determined that funding is for essential services.
5. Priority for funding will be to those activities showing capacity to provide quantifiable benefits to the larger number of youth and elderly low-income residents of Montgomery County for each dollar requested.
6. As a condition of receiving funds the subrecipient will enter into a standard contract required by the County.
7. In addition to financial assistance, the County is committed to helping subrecipients:
 - A. Implement reporting procedure in compliance with HUD requirements.
 - B. Identify sources of financial support other than CDBG, and provide other technical assistance as appropriate.
8. 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.
9. If the County terminates a subrecipient 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 one year from the date of contract termination.
10. Any agency allocated CDBG Public Service funds, whose project is not underway by March 1st of the following year, will be ineligible to participate in the current year's funding process.

ACTION:

Montgomery County will follow all HUD requirements in giving notice annually of anticipated availability and proposed use of CDBG funds. Agency funding applications will be evaluated by the Community Development staff for eligibility and appropriateness for funding through CDBG, and then forwarded with written evaluation and recommendations regarding same to the Montgomery County Community Development Advisory Committee. Said committee will make recommendations to Commissioners Court regarding levels of CDBG funding consistent with the above policy.

INTRODUCTION

The purpose of this guidebook is to provide management support to CDBG subrecipient agencies.

The guidebook is designed to help subrecipient agencies understand the requirements that apply to the use of Federal Funds for the delivery of CDBG programs and activities. It is a *supplement* to applicable regulations, standards, and policies. The basic program regulations governing management and financial systems for the CDBG program are contained in the Code of Federal Regulations Title 24 (24 CFR) and the various OMB Circulars referenced in this guidebook.

Proper documentation and record keeping systems are essential to prove compliance with the Program Scope of the contract. Examples of the monitoring process are outlined in the following pages of this handbook. Additional documentation may be required as determined by the monitor.

This guidebook is primarily concerned with preparing and informing subrecipients of:

- The subrecipients' responsibilities to document their CDBG activities

- The regulations that apply to internal management and financial systems of subrecipients

- The monitoring process

Our goal is to help subrecipients achieve their goals and improve their services, in compliance with program regulations and performance standard.

NATIONAL OBJECTIVES OF CD:

Each subrecipient is responsible for assuring that each eligible activity meets one of three national objectives:

- a) Benefit to low- and moderate-income persons;
- b) Aid in the prevention or elimination of slums or blight; and
- c) Meet a need having a particular urgency (referred to as urgent need).

DEFINITION OF TERMS

I. Acceptable Accounting Records:

Transactions must be recorded in a permanent form of record such as in the following types of journals (i.e. General Journal, Cash Disbursement Journal, Cash Receipt Journal, Payroll Register, and Check Register). Next, the journal

entry should contain information showing the transaction took place (invoice, check, receipt, etc.). A copy of this proof should be available for examination.

The account information from these journal entries should be transferred to a General Ledger. Therefore, if a cash transaction had to be traced, all that would be required to find that transaction would be the General Ledger for “Cash”.

II. Allocation of Expenditures:

The dividing up of an expense to show the amount that will be reimbursed by Community Development. Example: An agency that has two programs, Program A (CD Funded) and Program B (Other Funds). The agency would like to split up the rental expense of \$1,200.00. Program A occupies 320 square feet, while Program B occupies 150 square feet. Therefore, Program A is responsible for \$840.00. (70 percent of that months rent).

III. Appropriate Expenditure:

An appropriate expenditure must be based on the line items in the budget in the contract, within the specified amounts of those line items, and meet HUD eligibility criteria. OMB Circular A-122 (provided herewith) details exactly what sort of expenditures is eligible.

IV. Appropriate Provision of Services:

Services should be provided at a rate comparable to expenditures. The percent of the allocation expended should not significantly exceed the percent of units completed.

V. CD:

Community Development Block Grant Program or Community Development Department

VI. Concern:

A problem noted by the monitor, which has not yet put the subrecipient out of compliance with the contract, but might at a future date.

VII. Contract Term:

This is the term during which the contract is in effect, and is clearly stated in each contract. Expenses requested for reimbursement must be incurred during the term of the contract. Services billed as units must be performed during the contract term.

VIII. Costs, Eligible:

OMB Circular A-122 established the cost principles for grants, contracts, and other agreements with non-profit organizations. The principles are designed so the federal government will bear its fair share of the costs allowed by law. All cost reimbursements are subject to this circular. Selected costs are outlined in OMB Circular A-122. The factors determining status of costs are:

- A. Are the costs allowable?
- B. Is there proper documentation? (Voucher or receipts are required for all reimbursements.)
- C. Are costs approved in the contract?
- D. Are costs reasonable and consistent?

IX. Documentation:

Not only must a client meet the criteria for eligibility; you must have documentation to prove that eligibility present in your files. Documentation of income and residence must be obtained for each client served under the CD program and **updated every twelve months.** Documents considered acceptable are outlined in the “Client Eligibility Documentation Guidelines”(attached). Should you have an eligible client whom you cannot document under these guidelines, contact CD for technical assistance. Documentation should be obtained for each client **prior** to providing services under the CD contract. If documentation is obtained for the client at a later date and the client was not billed for under another funding source, previous units served to the client may be billed to this contract.

X. Eligible Client – Income:

A client whose household income is equal to or less than 80 percent of the median income for the County of Montgomery. Income guidelines based on household size are incorporated into your contract, and updated income guidelines are provided when CD receives them.

XI. In order for an expenditure to be eligible for reimbursement, it has to meet the following requirements:

- A. Must be an expenditure incurred due to Community Development activity.
- B. Must be for the funding period.
- C. Must be a line item on the proposed budget.
- D. The line item must have available funds.

XII. Finding:

A deficiency in the agency's program performance in regards to compliance with the contract, HUD regulations, or CD policy for which sanctions or other corrective actions are authorized. Findings are formally noted in the written report, and the agency is given a reasonable period in which to correct the findings.

XIII. Household:

All persons related by blood, marriage or adoption that reside in the same dwelling. This includes grandparents, aunts, uncles, adult children, siblings, etc.

XIV. HUD:

The United States Department of Housing and Urban Development, funding source for Community Development.

XV. Limited Clientele:

HUD has granted a special status of "presumed benefit" to certain groups. By virtue of a client being in this group, the client is presumed to be income eligible. The following groups are considered to be limited clientele:

- A. Abused children
- B. Battered spouses
- C. Elderly persons, age 62 years and older
- D. Adults meeting the Bureau of the Census's Current Population Reports definition of "severely disabled"
- E. Homeless persons
- F. Illiterate adults
- G. Persons living with AIDS
- H. Migrant farm workers

Programs that serve **exclusively** presumed benefit populations may be determined to serve limited clientele, and their clients will be presumed to meet income criteria. Limited clientele contracts clearly state this presumed benefit status.

XVI. Observations:

Notations made by the monitor that are not related directly to contract compliance deficiencies. Observations are often positive notations, such as improved performance or exceptional organization.

XVII. Pro-ration of an Expenditure:

The splitting up of an expense in order to charge the current funding year for the correct portion of CDBG expenses. Example: This year's funding is for the period of October 2007 through September 2008. The agency would like reimbursement for a utility bill such as electric. This bill is for the period of September 25th through October 24th, and was for a total of \$93.00. Since the current funding year begins on October 1st reimbursement can only be for 24 days in October. Therefore, the agency would charge Community Development for \$74.40 of that month's electric bill.

\$93.00 – Total Electric Bill

X 80% - (24 days of September out of 30-day bill)

\$74.40

XVIII. Reimbursement:

The method used to pay subrecipients. The request for payment must be for an expenditure that has already been paid (operating expenses) or incurred (payroll expenses).

SUBRECIPIENT REPORTS AND SITE VISITS

All written reports and forms shall be submitted to the Montgomery County Community Development Department.

Said reports include but may not be limited to:

1. Monthly Financial Status Report and Fund Request
2. Monthly Client Report
3. Narrative Monthly Report
4. Fundraising Report
5. Monthly Employee Time & Activity Report
6. Annual Performance Report
 - a. At the end of the program year, an Annual Performance Report shall be submitted to Montgomery County Community Development.

7. **Site Visits**

The Community Development staff will schedule visits with the agency to observe program operations and to review CDBG program requirements. The Community Development staff will review the client files to ensure information is consistent with the data provided to Montgomery County Community Development.

8. **Audits**

Montgomery County reserves the right to schedule a monitoring review of the financial operations of the CDBG program being administered by the agency.

9. **Contact Person**

Questions regarding reports or site visits should be directed to Grant Financial Monitor, Montgomery County Community Development Department at (936) 442-7751.

INSTRUCTIONS FOR COMPLETING THE CLIENT DATA REPORT

1. Enter the total number of clients served this month along with the total number of clients served year to date.
2. Enter total number of female household clients.
3. Enter income levels of clients served this month.

Extremely Low-Income 0 – 30% of Median

Very Low-Income 30 – 50% of Median

Low-Income 50% -- 80% of Median

4. Enter total clients served in a designated presumed low-income category:
(Presumed low-income category: Battered Women, Abused Children, Seniors, Homeless)
5. Ethnicity: (select only one)
Not Hispanic
Hispanic
6. Enter the number of clients served this month in their respective race categories.
7. HUD requires measurements/outcomes. Subrecipients must complete this section of the client report. Indicate the number of persons assisted in the category that best describes how the service they received benefited them.

RACE/ETHNIC IDENTIFICATION

For the purpose of all Community Development Block Grant program reports, the following race/ethnic categories will be used:

ETHNICITY:

Hispanic or Latino: All persons of Cuban, Mexican, Puerto Rican, South or Central America or other Spanish culture or origin, regardless of race. The term, “Spanish origin”, can be used in addition to “Hispanic or Latino”.

Not Hispanic or Latino: All persons not of Cuban, Mexican, Puerto Rican, South or Central America or other Spanish culture or origin, regardless of race.

RACE:

American Indian or Alaskan Native: All persons having origins in any of the original peoples of North America and South American (including Central America), and who maintain tribal affiliation or community recognition.

Asian: All persons having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian Subcontinent, including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Black or African American: All persons having origins in any of the black racial groups of Africa. Terms such as “Haitian” or “Negro” can be used in addition to “Black or African American”.

Native Hawaiian or Other Pacific Islander: All persons having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

White: All persons having origins in any of the original peoples of Europe, North Africa, or the Middle East.

EQUAL OPPORTUNITY COMPLIANCE

Recipients of Federal Community Development Block Grant funds are required to adhere to applicable Equal Opportunity Regulations. A detailed summary of the regulations is included in the subrecipient's agreement. Enclosed is a brief summary of Equal Opportunity Laws and Orders, as well as a comprehensive report of coverage and enforcement provided by the U.S. Department of Housing and Urban Development.

EQUAL OPPORTUNITY LAWS AND ORDERS APPLICABLE TO COMMUNITY DEVELOPMENT BLOCK GRANTS

TITLE VI, CIVIL RIGHTS ACTS OF 1964

Provides that no person in the United States shall, on the ground of race, color or national origin, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

TITLE VII, CIVIL RIGHTS ACT OF 1968

Provides for fair housing throughout the United States. Kinds of discrimination prohibited: refusal to sell or rent, or negotiate, or otherwise to make unavailable; discrimination in terms, conditions and privileges; discriminatory advertising, false representation; block busting; discrimination in financing; and discrimination in membership in multiple-listing services and real estate brokers' organizations.

SECTION 109, HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

Provides that no person in the United States shall, on the ground of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made under this Title.

EXECUTIVE ORDER 11063

Requires equal opportunity in housing and related facilities provided by Federal financial assistance.

EXECUTIVE ORDER 11246

Requires nondiscrimination in employment under Federal assisted construction contracts.

SECTION 3, HUD ACT OF 1968

Provides that to the greatest extent feasible, training and employment opportunity shall be made available to lower-income residents of project areas, and that contracts be awarded to small businesses located within the project area or owned in substantial part by project area residents.

SECTION 504 OF THE REHABILITATION ACT OF 1973

Prohibits employment discrimination on the basis of handicap in any program or activity that receives Federal assistance.

AGE DISCRIMINATION ACT OF 1975, AS AMENDED

Provides that no person in the United States shall, on the basis of age, be excluded from participating in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Overview

The purpose for the financial management systems and reporting are to ensure that a subrecipient receiving Federal funds has a financial management system sufficient to:

- ◆ Provide effective control over and accountability for all funds, property, and other assets.
- ◆ Identify source and application of funds for federally sponsored activities.
- ◆ Permit the accurate, complete and timely disclosure of financial results.
- ◆ Minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the subrecipient.

Internal Controls

The soundness of any organization's financial management structure is determined by its system of internal controls. Internal controls consist of a combination of procedures, specified job responsibilities, qualified personnel, and records which together create accountability.

Some of the basic elements that a subrecipient should consider when developing a system of internal control are:

- Organizational chart setting forth the actual lines of responsibility of individuals involved in approving or recording financial transactions.
- Written definitions of employee duties.
- A formal system of authorization and supervision sufficient to provide accounting control over assets, liabilities, receipts, and expenditures. This should include:
 1. Maintenance of a policy manual specifying approval authority for financial transactions and guidelines for controlling expenditures.
 2. Written procedures for the recording of transactions, as well as an accounting manual and a chart of accounts.

The system of authorizations should provide a way for management to ensure supervisory approval of transactions and documentation of these transactions for accounting purposes.

- Adequate separation of duties so no individual has authority over an entire financial transaction. Specifically involving three types of functional responsibilities:
 - (a) authorization to execute a transaction;
 - (b) recording the transaction; and
 - (c) custody of the assets involved in the transaction.
- Hiring policies to ensure that staff qualifications are commensurate with job responsibilities.
- Control over access to assets, blank forms, and confidential documents.
- Periodic comparisons of financial records to actual assets and liabilities (reconciliation), with corrective action taken in response to any discrepancies.

Accounting Records

Subrecipients are required to have accounting records that adequately identify the source and application of CDBG funds provided to them. A subrecipient's accounting system should include at least the following elements:

- A chart of accounts – A list of names and the numbering system for the individual accounts that contain the basic information about particular classifications of financial transactions for the organization.
- A cash receipts journal that documents when funds were received, in what amounts, and from what sources.
- A cash disbursements journal that documents the expenditures of the organization in chronological order.
- A payroll journal that documents the organization's expenses on salaries and benefits, and distinguishes different categories for regulatory purposes.
- A general ledger that summarizes in chronological order the activity and financial status of all the accounts of an organization.

Sources and Uses of Funds

For the CDBG program, these accounting records must contain reliable and up-to-date information about the sources and uses of funds, including:

- Federal grant awards
- Current authorizations and obligations of CDBG funds
- Un-obligated balances
- Assets and liabilities
- Program income
- Actual outlays and expenditures by grant program and eligible activity

Allowable Costs

The standards for determining the reasonableness, allowability, and allocability of costs incurred as part of CDBG-financed activities follow:

- The expenditure is necessary, reasonable and directly related to the grant.
- The expenditure has been authorized by the grantee, generally through approval of the budget for the activity.
- The expenditure is not prohibited under Federal, state or local laws or regulations.

- The expenditure is consistently treated, in the sense that the subrecipient applies generally accepted accounting standards in computing the cost, and utilizes the same procedures in calculating costs as for its non-Federally assisted activities.
- The cost must be allocable to the CDBG program.
- The cost is net of all applicable credits.

Source Documentation

The general standard is that all accounting records must be supported by source documentation. Supporting documentation is necessary to show that the costs charged against CDBG funds were incurred during the effective period of the subrecipient's agreement with the grantee, were actually paid out (or properly accrued), were expended on allowable items and had been approved by the responsible officials in the subrecipient organization.

The source documentation must explain the basis of the costs incurred as well as showing the actual dates and amount of expenditures. For example:

- Payroll should include employment letters and all authorizations for rates of pay, benefits, and employee withholdings. This could include union agreements, salary schedules and benefit packages.
- Space and utilities costs are to be supported by lease or rental agreements. Utilities should be supported by bills from utility providers.
- Supply costs documentation would include purchase orders or requisition forms initiated by an authorized representative of the subrecipient, an invoice from a vendor, a cancelled check demonstrating payment information regarding where the suppliers are being stored and for what cost those items are being used.

Budget Controls

Subrecipients must have procedures in place to monitor obligations and expenditures against their approved budget(s) for CDBG-funded activities.

- Maintained in its accounting records the amounts budgeted for eligible activities.
- Include unexpended/un-obligated balances for budgeted categories, as well as obligations and expenditures.
- Periodically compare actual obligations and expenditures to date against planned obligations and expenditures, and against projected accomplishments for such outlays.

Cash Management

Grantees have two general methods available to transfer CDBG funds to subrecipients: the reimbursement method and the cash advance method.

Cash management requirements are as follows:

- A subrecipient must include accurate information in its drawdown request (invoice) to a grantee.
- A subrecipient must return erroneously drawn funds to the grantee in a timely manner.
- The general “rule of thumb” is that the subrecipient must ensure that the release of funds in payment of CDBG program costs takes place within three (3) business days of the subrecipient’s deposit of those funds. Written justification should be kept in files for each instance in which disbursement of an advance took longer than three (3) days.
- If CDBG funds are placed in an interest bearing account by a subrecipient, interest must be returned to the U. S. Treasury.
- Program income must be disbursed in payment of program costs prior to requesting further drawdowns from the grantee.
- If program income is put in an approved revolving fund by a subrecipient, the subrecipient must disburse this program income for the same activity for which the revolving fund was established, before making further cash drawdown requests to the grantee.

Equipment Provisions

Use of equipment shall be used by the subrecipient in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be

investigated. CD needs to be notified if equipment is missing, damaged, or stolen.

- Adequate maintenance procedures must be developed to keep the property in good condition.
- If subrecipient is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Procedures for Disposition. When original or replacement equipment acquired under a grant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

- Items of equipment with a current per-unit fair market value of less than \$5000 may be retained, sold or otherwise disposed of with no further obligation to Community Development.
- Items of equipment with a current per unit fair market value in excess of \$5000 may be retained or sold and Community Development shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by Community Development's share of the equipment.

Financial Reporting

Financial reports prepared by a subrecipient must be accurate, timely, current and represent a complete disclosure of the financial activity and status in each Federal grant program under which assistance is received. A subrecipient must have the capacity to provide at least the following:

- Amount budgeted
- Advances/Reimbursements received to date
- Program income and other miscellaneous receipts in the current period and to date
- Actual expenditures/disbursements in the current period and cumulatively to date, for both program income and regular CDBG grant funds
- Current encumbrances/obligations in addition to disbursements
- Unpaid requests for payment previously submitted at time of latest drawdown

General Procurement Provisions

- A subrecipient must maintain records to detail the significant history of a procurement
- Pre-qualified lists of vendors/contractors, if used, must be current, developed through open solicitation, include adequate numbers of qualified sources, and must allow entry of other firms to qualify at any time.

- A subrecipient must ensure that awards are not made to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs.
- Written selection must be done for procurement transactions and the procedures must be adequate.
- Subrecipients must not use “cost plus a percentage of cost” pricing for contracts, but should use “time and material” type contracts.
- Subrecipients must have protest procedures in place to handle and resolve disputes relating to their procurement and in all instances report such disputes to the grantee.
- There must be a documented system of contract administration for determining the adequacy of contractor performance.
- A subrecipient must have a written code of conduct governing employees, officers or agents engaged in the award or administration of contracts.

Record-Keeping Requirements

These are the files and records that apply to the overall administration of the subrecipient’s CDBG activities. They will include the following:

- Personnel files
- Property management files
- General program files relating to the subrecipient’s application to the grantee, the subrecipient agreement, program policies and guidelines, correspondence with the grantee and reports, etc.
- Legal files, articles of incorporation, by-laws of the organization, tax status, board minutes, contracts and other agreements
- Administrative Records: Files and records that apply to the overall administration of the subrecipient’s CDBG activities.
- Financial Records: Include chart of accounts, manual on accounting procedures, accounting journals and ledgers, source documentation, procurement files, bank account records, financial reports, audit files, etc.
- Project/Case Files: These files document the activities undertaken with respect to specific individual beneficiaries, property-owners and /or properties.

Standard record keeping for subrecipient files includes accurate records, including the following:

- A full description of each activity assisted with CDBG funds, including location where activities occur
- Demonstrate that each activity meets one of the National Objectives for CDBG
- Show that subrecipient has made all necessary determinations required for the eligibility of certain activities

- Document compliance with the program rules regarding any change of use of real property acquired or improved with CDBG assistance
- Demonstrate compliance with the program requirements regarding acquisition, displacement, relocation and replacement housing
- Detail the subrecipient's fair housing activities and equal opportunity compliance
- Maintain all necessary information relative to the other program requirements

File Organization and Maintenance

A subrecipient should structure its project case files and other records to comply with the general requirements specified above and to facilitate preparation of progress and other reports, including all submissions necessary for the grantee's development of its annual Grantee Performance Report.

Each project case file should contain records on:

- ◆ Owner's application for assistance, including address of property
- ◆ Household size and income documentation for owner and other occupants in structure and other information to determine program eligibility and appropriate level of financial assistance
- ◆ Other demographic information on anticipated and actual beneficiaries of the activity
- ◆ Work write-up on property
- ◆ Evidence of any required owner contributions or private loan match
- ◆ Financial assistance agreement between subrecipient and owner of assistance, intended uses of funds, matching requirements, general program requirements, repayment and recapture procedures, etc.
- ◆ Evidence of liens to secure loans
- ◆ Documentation of contractor solicitation and selection
- ◆ Documentation of rent affordability
- ◆ Copy of executed construction contract, with all necessary provisions
- ◆ Documentation of compliance, applicable, with historic preservation, flood insurance, lead-based paint, Davis-Bacon, relocation/anti-displacement and other relevant program rules
- ◆ Evidence of subrecipient's periodic on-site inspection and sign-off on rehabilitation work, including final inspection
- ◆ Copies of all change orders, with proper authorization
- ◆ Records of disbursements made for completed and approved work

Retention of Records

Records are to be retained for three (3) years from the date of submission of the Grantee's Annual Performance Report in which the specific activity is reported for the last time,

unless there is litigation, claims, audit, negotiation or other action involving the records, which has started before the expiration of the three (3) year period.

Reporting Requirements

A typical grantee requests three (3) kinds of reports from its subrecipients: information on drawdown requests, regular progress reports and annual Grantee Performance Report data.

- Drawdown requests, financial status of the latter's operations.
- Regular progress reports from subrecipients on a monthly or quarterly basis designed to track program accomplishments, obligations and spending patterns, and planned operations and accomplishments.
- Supporting documentation for the Annual Performance Report that includes activity name, description and location, national objective, amount expended during the program year.
- Total cost of each multi-unit housing and economic development activity
- The amount of un-liquidated obligations for each public services activity
- Activity status and specific accomplishments during each program year
- Characteristics of beneficiaries of direct benefit activities (expressed in total households/persons assisted, number of low-income and moderate-income households, and ethnic characteristics of beneficiaries and displacement)

SELECTING ACTIVITIES THAT COMPLY

While there are many aspects that must be considered in selecting activities to assist under the CDBG program, there are six key steps in determining if CDBG funds may be used to assist a proposed activity.

- 1) It must be determined if the activity is included within the listing of eligible activities in the CDBG statute, as amplified by regulation.
- 2) It must be determined if the proposed activity falls within a category of explicitly ineligible activities, despite its apparent inclusion with an authorized category. For example, while public facilities are generically eligible for assistance with CDBG funds, there is an explicit statutory bar to providing assistance to "buildings for the general conduct of government" under the category of Public Facilities and Improvements.
- 3) It must be determined if the proposed activity can meet one of the national objectives of the program.
- 4) It must be determined that carrying out the activity with CDBG funds will not result in the grantee violating its certification that at least 70% of CDBG expenditures will be for activities that are considered to benefit L/M income persons over the one, two or three consecutive program years specified by the grantee.
- 5) It must be determined that the proposed costs of the activity appear to be necessary and reasonable and will otherwise conform with the requirements of OMB Circulars A-87, "Cost Principles for State, Local, and Indian Tribal

Governments,” A-122, “Cost Principles for Non-Profit Organizations,” A-21, “Cost Principles for Educational Institutions, “24CFR Part 84, “Uniform, Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations;” or 24CFR Part 85, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” as applicable.

- 6) It must be determined that the environmental review and clearance procedures for the project which the activity is a part have been completed. Those procedures are set forth in 24 CFR Part 58.

ELIGIBLE ACTIVITIES

There are many categories of activity types, which may be assisted using CDBG funds. The importance of using CDBG funds only for eligible activities is self-evident. The proper classification of each assisted activity by one of these categories of eligibility is also important because the statute and regulations place specific requirements on particular categories and not on others. For example, there is a statutory and regulatory limitation on the amount of CDBG funds, which may be used for activities, assisted under the category of Public Services. Some services that are under the program may also be eligible under a category other than Public Services and, if properly classified by the grantee as such, would therefore not be subject to the 15% public service cap.

Public Services:

Under this category, CDBG funds may be used to provide public services (including labor, supplies, materials and other costs), provided that each of the following criteria is met:

- 1) The *public service* must be either:

A new service; or

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 through funds raised by such unit or received by such unit from the State in which it is located during the 12 months prior to submission of the grantee’s applicable Action Plan.

- 2) The amount of CDBG funds obligated within a program year to support public service activities under this category may not exceed 15% of the total grant awarded to the grantee for that year plus 15% of the total program income it received in the preceding program year.

Public services include, but are not limited to:

- Child Care,
- Health care,

- Job training (including training a qualified pool of candidates for unspecified jobs),
- Recreation programs,
- Education programs,
- Public safety services,
- Fair housing activities,
- Services for senior citizens,
- Services for homeless persons,
- Drug abuse counseling and treatment,
- Energy conservation counseling and testing,

Paying the cost of operating and maintaining that portion of a facility in which the service is located is also considered to fall under the basic eligibility category of Public Services, even if such costs are the only contributions made by CDBG for those services.

Public services carried out by subrecipient are subject to the Public Services Cap.

REHABILITATION

CDBG funds may be used to finance the costs of rehabilitation for eligible types of property.

Eligible types of property

Residential-Residential property, whether privately or publicly owned. This includes manufactured housing when such housing constitutes part of the community's housing stock.

Commercial/industrial-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. (Further improvements for such buildings may qualify under the category of Special Economic Development Activities.)

Other-Nonprofit-owned, nonresidential buildings and improvements that are not considered to be public facilities or improvements under 570.201(c) of the CDBG program regulations.

Note: Additions to existing buildings may be assisted under this category when they are incidental to the rehabilitation of the property, and may be provided as a part of other rehabilitation if the addition does not materially increase the size or function of the building.

Eligible types of assistance

Costs-Costs of labor, materials, supplies and other expenses required for the rehabilitation of property, including repair or replacement of principal fixtures and components of existing structures (e.g., the heating system).

Financing-Grants, loans, loan guarantees, interest supplements and other forms of financial assistance may be provided under this category. (A grantee may make a “lump sum draw down” for the purpose of financing rehabilitation of privately owned properties. See 590.513 for details.)

Refinancing-Loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds, if such refinancing is determined by the grantee to be necessary or appropriate to achieve its Community Development objectives.

Property acquisition-Assistance to private individuals and entities (whether profit or not-for-profit) to acquire for the purpose of rehabilitation and to rehabilitate properties *for use or resale for residential purposes*.

Security devices-Installation costs of sprinkler systems, smoke detectors and dead bolt locks, and other devices for security purposes.

Insurance-The costs of *initial* homeowner warranty premiums and, where needed to protect the grantee’s interests in properties securing a rehabilitation loan, hazard insurance premiums as well as flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, as amended, pursuant to 570.605.

Conservation-Costs required to increase the efficient use of water (e.g., water saving faucets and shower heads) and improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, insulation and modification or replacement of heating and cooling equipment.

Water and sewer-Costs of connecting existing residential structures to water distribution lines or local sewer collection lines.

Tools-Costs of acquiring tools to be lent to owners, tenants and others who will use the tools to carry out rehabilitation.

Barrier removal-Costs to remove material and architectural barriers that restrict the mobility and accessibility of elderly and severely disabled persons to buildings and improvements that are eligible for rehabilitation under this category.

Landscaping, sidewalks, and driveways-The costs of installation or replacement of landscape materials, sidewalks, and driveways *when incidental to other rehabilitation of the property*.

Renovation of closed buildings-The conversion of a closed building from one use to another (e.g., the renovation of a closed school building to residential use).

Historic preservation-This category also authorizes the costs of preserving or restoring properties of historic significance, whether privately- or publicly-owned, except that buildings for the general conduct of government may not be restored or preserved with CDBG assistance. Historic properties are those sites or structures that are either listed in or eligible to be listed in the National Register of Historic Places, listed in a state or local inventory of historic places, or designated as a State or local landmark or historic district by appropriate law or ordinance.

Lead-based paint hazard evaluation and reduction-The costs of evaluating and treating lead-based paint may be undertaken under this category whether alone or in conjunction with other rehabilitation.

Rehabilitation services-Staff costs and related expenses required for outreach efforts for marketing and program, rehabilitation counseling, screening potential applicant households and structures, energy auditing, preparing work specifications, loan underwriting and processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities who are participating or seeking to participate in rehabilitation activities eligible under this category; under the Section 312 of the Housing Act of 1964, as amended; under Section 810 of the Act; or under Section 17 of the United States Housing Act of 1937.

Business in residence-In some cases where a business is conducted in a residential unit, it may be necessary to make improvements to the residence in order to conduct the business. (This would be the case where, for example, the business is providing child care and local requirements for such business dictate that modification be made to the housing unit.) In any case where the improvements are of such nature that, in addition to facilitating the business, they also provide a benefit to the resident(s); such rehabilitation costs may be covered under this category. Other improvements not meeting this test needed for such a business could be eligible under the category of Special Economic Development.

Reference: 570.202

*Rehabilitation does **not** include:*

- ❖ Creation of a secondary housing unit attached to a primary unit;
- ❖ Installation of luxury items, such as a swimming pool;
- ❖ Costs of equipment, furnishings, or other personal property not an integral structural fixture, such as:
 - a window air conditioner; or
 - a washer or dryer (but a stove or refrigerator is allowed); or
- ❖ Labor costs for homeowners to rehabilitate their own property

Use of Subrecipients

Nonprofit entities are often used by grantees in carrying out a rehabilitation program. Where the nonprofit entity is acting in the same capacity as the grantee in selecting properties to be rehabilitated, they are appropriately designated as a subrecipient under the CDBG program and thus subject to subrecipient requirements. However, there are instances where a nonprofit entity may not be considered to be a subrecipient with respect to the use of CDBG funds for rehabilitation. Simply put, where the nonprofit owns property that is in need of rehabilitation and they take advantage of the grantee's program of using CDBG funds for such rehabilitation (in the same manner as other property owners do), the entity should not be considered to be a subrecipient for purposes of the program. Perhaps the most significant aspect of this is that any income the nonprofit might receive from the use or rental of the rehabilitated property would not be considered to be CDBG program income. If there is any question as to whether a nonprofit entity should be considered to be a subrecipient with respect to a particular use of CDBG funds for rehabilitation, contact the local HUD field office for advice.

Section 105(c)(3) of the authorizing statute, the Housing and Community Development Act of 1974, requires that, in order for an activity that involves the acquisition or improvement of property for housing to qualify as benefiting L/M income persons, the housing must be occupied by such persons. Even though a particular housing activity may provide a clear benefit to an area containing predominantly L/M income residents, it cannot qualify on that basis. Instead, the housing must be occupied by L/M Income households.

Contract Amendments

In order to amend an existing contract between CDBG and a subrecipient, it has to meet the following requirements:

- a) The request must be made in writing and presented to Montgomery County Community Development for approval.
- b) The proposed amendment amount must not exceed the amount awarded and/or remaining for the grant year.
- c) It must be for an activity that is allowable within a specified category and meet the requirements that apply to that category.
- d) It may be presented to the Montgomery County Community Development Advisory Committee for approval.
- e) Amendment of the contract will not delay expending all funds timely during the contract grant year.

ADDITIONAL ELIGIBLE ACTIVITIES

- Acquisition of Real Property
- Disposition
- Public Facilities and Improvements
- Clearance
- Interim Assistance

- Relocation
- Loss of Rental Income
- Privately-Owned Utilities
- Construction of Housing
- Code Enforcement
- Special Economic Development Activities
- Microenterprise Assistance
- Homeownership Assistance
- Planning and Capacity Building
- Program Administration Costs
- Miscellaneous Other Activities

The grantee is required to document that each assisted activity falls within a specified category and that it meets the requirements that apply to that category.

While a grantee is not required to keep in its own files the records concerning the eligibility of an activity carried out by a CBDO or a subrecipient, the grantee must make sure that the required records are kept by that entity.

The OMB Circulars require recipients of federal assistance to keep source documentation to justify all expenditures. For example, expenditures for rehabilitation, the grantee (or its CBDO “community based development organization” or subrecipient) should be able to show an invoice that identified what the payment was made for, to and by whom, and the physical location of the property that was rehabilitated. Where applicable, the rehabilitation contractor, in turn, would be obligated to be able to produce detailed records showing specifically the costs that it incurred and for which the invoice was presented. Similarly, a non-profit entity that receives a working capital loan should have sufficient source documentation to show the actual use of CDBG funds.

COMMUNITY DEVELOPMENT MONITORING

Monitoring:

The Department of Housing and Urban Development (HUD) requires direct monitoring of subrecipient agencies on an annual basis. Monitoring is an ongoing process of reviewing performance using agency data to make judgments about the performance and assist in improving that performance.

The contract compliance monitoring performed by Community Development (CD) staff is different from the annual audit required to be performed by a Certified Public Accountant according to the Single Audit Act. Monitoring is not an audit of the agency, but rather is focused on the “program” that is CD funded.

I. Programmatic Monitoring Goals:

- A. To review subrecipient agencies to determine if services are being delivered in accordance with contract requirements as to type of services and number of unit of services.
 - B. To review records of subrecipient agencies to determine if systems are in place to properly document the provision of services, client eligibility, and compliance with any other contract requirements.
- II. Fiscal Monitoring Goals:
 - A. To review subrecipient agencies to determine if expenditures of allocated funds are being made in accordance with contract requirements.
 - B. To review records of subrecipient agencies to determine if systems are in place to properly document financial transactions, the use of allocated funds, use of program income, and any other contract requirements.

PROGRAMMATIC MONITORING PROCESS

- I Schedule appointment:
 - A. The Community Development monitor will contact the agency to arrange for monitoring. Each agency will be monitored a minimum of once annually.
 - B. Written notification will be mailed at least one week prior to the scheduled monitoring. This notification will list initial records to be reviewed. These records should be ready for review by the time of the monitor's arrival and available at the working space set up for the monitor.
- II. Entrance Conference:

Monitors meet with agency director to answer any questions regarding the monitoring process and are introduced to appropriate staff to begin work.

 - A. Meet staff responsible for the intake process, preparation for reports of units of service and direct service providers.
 - B. Review records selected for monitoring and discuss record keeping methods with staff that maintain them. Copies of certain documents and records may be made for purposes of preparing the report. Records which will be reviewed by the monitor include but are not limited to:
 - a. Units of service reports sent to CD for the period under review
 - b. Daily logs, time sheets, or other documents used to derive the number of units reported.
 - c. Any back up documents to support the tally number, such as manual worksheets.
 - d. A list of client records will be requested after review of the unit tallies, these client records should include eligibility documentation and records of services provided.
 - e. The agency's liability insurance policy (with the pages marked), in compliance with the required limits of liability specified in the contract,

Montgomery County listed as an additional insured, and a 30-day prior notice of insurance coverage cancellation.

III. Review Records:

- A. Subrecipients are required to submit reports on a monthly basis as described in the contract. Agencies will be required to submit a monthly report to include:
 - a. Reimbursement Request
 - b. Units of Service Report
 - c. Ethnicity Report
 - d. Employee Monthly Time Report
- B. The monitor will check the agency records against CD records regarding the report for the following:
 - a. Determine if amounts in agency records reported for each month match amounts noted in CD records.
 - b. Determine if the report is presented in a timely manner (by the date specified in the contract).
 - c. Determine if the report is completed in a satisfactory manner.
 - d. Determine if the quantity of units provided is comparable to the amount of allocation expended.
 - e. Determine if the agency is significantly behind in the provision of units.
- C. The monitor will review the documents used by the agency to derive the number of units reported to CD.
 - a. Check system of tallies to make certain it is sound and workable.
 - b. Determine the method used to distinguish CD clients from clients not billed to the CD contract.
 - c. Determine whether the number of units reported in sample months matches the number in the backup documents.
 - d. Determine if units are in keeping with the contract definition.
 - e. If units are differentiated between types, determine that only units of the types listed in the contract are billed for CD clients.
 - f. Develop a list of client files to be reviewed from the sample months, listing client number, client name, date of service, number of units served and type of service.
 - g. Present list to staff and allow a reasonable length of time for client files to be pulled for review.
- D. The Monitor will review client files for:
 - a. Documentation of eligibility (as per CD Eligibility Documentation Guidelines, attached) that is dated within 12 months of the sample service date.
 - b. Documentation of income equal to or lower than 80 percent of the median income if applicable.

- c. Documentation of presumed benefit clientele status on the form provided in the contract.
 - E. Documentation of the provision of services which meet the terms of the contract:
 - a. Determine if date of service and type of service provided which was taken from the tally log is also recorded in the client file and appears to be reasonable.
 - b. Review complete file for each client determining whether services bring provided are in accordance with the contract, whether client is in contract's target population and whether there is information in the client's file which conflicts with the documentation.
 - c. Where applicable, determine if client notes are dated, reflect the units provided, are signed by the caseworker, complete and informative as to the client's progress.
 - F. Throughout the course of the on-site visit the monitor will observe interactions between staff and clients and the condition of the facility.
 - G. The monitor will observe whether the Equal Employment Opportunity placard has been posted as required by law:
 - a. Observe whether official placard has been posted
 - b. Determine if it is available for viewing by employees
 - c. Determine if it is available for viewing by applicants for employment
- IV. Exit Conference:
- A. The monitor will meet with agency director to discuss the results of the monitoring. Director may invite staff and/or board members as deems appropriate.
 - a. Discuss findings, if any, and methods of correcting each individual deficiency.
 - b. Discuss concerns, if any, and methods of correcting concerns.
 - c. Discuss any observations made regarding the agency and offer technical assistance where applicable.
 - d. Answer any questions agency director or staff may have.

FISCAL MONITORING PROCESS

- I. Schedule appointment:

The Community Development monitor will contact the agency to arrange for monitoring. Programmatic and fiscal monitoring may or may not be scheduled concurrently. Each agency will be monitored once annually. In some cases it may be necessary to perform a follow up monitoring visit.

- A. Written notification will be mailed at least one week prior to scheduled monitoring visit listing initial records to be reviewed. These records should be ready to review by the time the monitor arrives and available at the working space set up for the monitor.
- B. The monitor may conduct a desk review and may require the Agency to submit documents to the office.

II: Entrance Conference:

Monitors may meet with or call the agency director to answer any questions regarding the monitoring process.

- A. Meet staff responsible for preparing reimbursement requests, payroll and maintaining accounting records.
- B. Review records selected for monitoring and discuss record keeping methods with staff that maintain them. Copies of certain documents and records may be made for purposes of preparing the report. Records which will be reviewed by the monitor include, but are not limited to:
 - a. Time and attendance reports (time sheets or time cards)
 - b. Payroll register
 - c. Cash receipts journal
 - d. Check disbursement journal or check register
 - e. Employer's payroll tax reports – quarterly federal tax return (941), annual federal unemployment report (940), quarterly state unemployment reports (C-3 & C – 4), and deposit records 8109, etc.)
 - f. Bank statement and/or cancelled checks
 - g. General ledgers
 - h. Invoices and purchase orders
 - i. Bank reconciliation
 - j. Any additional item (vouchers, documents, financial reports, records, etc.) needed to verify transactions

III. Review Records:

- A. Salaries – The monitor will:
 - a. Review time and attendance reports for time billed to Community Development and verification of reports by supervisor.
 - b. Check to see if there is a clear audit trail between time and attendance reports, payroll register, general ledger accounts and federal and state reports.
 - c. Test computation for gross amounts, deductions, and net payments
 - d. Verify canceled checks for amounts and endorsements

- e. Verify employees' time from time reports to the time reported to Community Development on Employee Monthly Time Report.
 - f. Verify that the salary costs requested for reimbursement are allowable under the terms of the contract.
- B. Fringe Benefits – The monitor will:
- a. Verify employer's quarterly tax reports.
 - b. Verify payments made to the bank for payroll taxes.
 - c. Verify health insurance policy.
 - d. Select insurance invoices to verify that the amounts requested for reimbursement apply only to Community Development employees.
 - e. Verify fringe benefits costs from payroll register to general ledger accounts.
- C. Property and Equipment (if applicable) – The monitor will:
- a. Verify invoices and payments.
 - b. Verify purchase of equipment is in agreement with general ledger account and financial reports.
 - c. Ensure that purchased equipment is allowable.
 - d. Verify calculation of depreciation (if applicable).
 - e. Make physical inspection of equipment (if applicable).
- D. Other Operating Expenses – The monitor will:
- a. Prove footings of cash journals and trace posting to general ledger accounts.
 - b. Verify bank activity with cash receipts journal.
 - c. Verify check payable to cash or to bearer.
 - d. Compare cash receipts month end journal totals posted to general ledger account.
 - e. Verify amounts disbursed by Community Development reconcile with funds received by the agency.
- E. Overall Accounting Review – The Monitor will:
- a. Review the process used to record the various transactions and determine if it is effective.
 - b. Review the actual transactions and the supporting documentation, determining eligible reimbursement expenses. In order for an expenditure to be considered eligible for reimbursement, the following requirements must be met:
 - i. An expenditure must be for the current funding period.
 - ii. Be a line item on the proposed budget
 - iii. Be an expenditure related to CD activity
 - c. Review the overall agency performance to determine if it is within compliance according to the contractual terms and conditions.
 - d. Conduct an analysis to determine if the prior year's monitoring findings have been corrected and are not being repeated.

IV. Exit Conference:

- A. The CD monitor will call or meet with the agency director to discuss results of monitoring. Director may invite staff and/or board members as deemed appropriate.
 - a. Discuss findings, if any, and methods of correcting each individual deficiency.
 - b. Discuss concerns, if any, and methods of correcting concerns.
 - c. Discuss any observations made regarding the agency, offer technical assistance where applicable.
 - d. Answer any question director or staff may have.

PROGRAMMATIC AND FISCAL MONITORING REPORTS

I. Monitoring Report:

- A. Within thirty days after the completion of the monitoring visit or desk review, a written report of the results of the monitoring visit will be forwarded to the subrecipient. If the programmatic and fiscal monitoring were performed concurrently, the reports for both will be combined under a single cover letter. The monitoring report contains:
 - a. A detailed list of the areas reviewed.
 - b. A detailed list of findings, if any. A recommendation will accompany each finding explaining how the deficiency can be corrected.
 - c. A detailed list of concerns, if any. Depending on the nature of the concern, a recommendation may be included on how to eliminate the concern.
 - d. Observations, if any, made regarding the agency's operation.
 - e. If findings are severe, the letter accompanying the report may place a hold on future reimbursements to the Subrecipient until the findings are cleared.
- B. Response to Monitoring Report:
 - a. Within thirty days after receipt of the monitoring report, the subrecipient must submit a written response to the monitoring report. The response should be addressed to Montgomery County Community Development, Grant Financial Monitor, 501 N. Thompson St., Suite 200, Conroe, TX 77301. The response should include:
 - i. A response to each individual finding and concern, if applicable.
 - ii. Copies of any documentation to back up the response to the findings (copies of corrected employee monthly time reports, etc.).
- C. Response to Agency Response:

- a. Upon receipt of the subrecipient's response to the monitoring report, the programmatic and fiscal monitors will review the response to determine if the findings have been satisfied. A written response to the subrecipient's response will be sent to the Agency after reviewing responses.
 - i. Those findings that have been satisfied will be noted as closed.
 - If all findings are closed, the subrecipients monitoring for the year under review is considered to be complete.
 - iii. Findings that are not satisfied will remain open and will require further response or action on the subrecipients part.
 - The subrecipient will be given an adequate period of time to take any further action needed to correct the findings and respond.
 - If these actions are satisfactory, the findings are noted as closed and the monitoring is considered to be complete.
 - If these actions are not satisfactory, further correspondence is required until such time as all findings are closed and the monitoring is concluded.
 - The close of the contract does not necessarily close the monitoring. Correspondence will continue until all findings are closed.
 -

Any agency that has unresolved compliance issues will not be eligible to seek additional CDBG funding. Agencies who resolve their compliance issues and demonstrate an ability to meet all of the federal, state and local program requirements will be eligible to seek additional CDBG funding after three (3) years.

AUDIT REPORT

The audit report must state that the audit was made in accordance with the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations, in addition to the Generally Accepted Audition Standards in "Government A1 Auditing Standards." At a minimum, the single audit report should be made up of the following reports:

- ✓ The auditor's report on the financial statements of the recipient and a set of financial statements themselves. (General Requirements)
- ✓ The auditors report on Schedule of Federal Assistance. The federal expenditures must be shown for each federal assistance program.
- ✓ The auditor's report on the study and evaluation of internal control systems. The report should identify significant internal accounting controls and any controls designed to provide reasonable assurance that federal programs are being

managed in accordance with laws and regulations. Likewise, the report should identify the controls **not** evaluated and the material weaknesses identified as a result of the evaluations.

- ✓ The auditor's report on compliance with the laws and regulations that may have material effect on each major federal program.
- ✓ The auditor's report on compliance with certain requirements of non-major programs (if required).
- ✓ The auditor's report on the schedules of findings and questioned costs (if not presented directly in the compliance report).
- ✓ The auditor's report on fraud, mismanagement, abuse, or illegal acts (if any).

Each contract specifies the period within which audits must be turned in at the close of your fiscal year or the close of the contract. One copy of the audit, any separate management letter, and the agency's response thereto must be submitted within the time frame allowed by the contract.

APPENDICES

CLIENT ELIGIBILITY DOCUMENTATION GUIDELINES

In order to document the eligibility of each client to receive services under a Community Development contract, an application must be completed by each client. If the client is under the age of 18, the form should be completed by the client's parent or legal guardian.

In addition to the application, actual verification on the household income must also be provided. This can include current check stubs, income tax returns, social security print outs, child support documentation, TANF documents. If the client cannot provide this information supporting forms are provided as part of the application packet so each agency can have the client sign the request form and then forward it to the appropriate agency to be completed by a representative of the agency. Some agencies choose to add information to this application in order to minimize paperwork. If you choose to alter the application please make certain that none of the information we have requested is altered or deleted.

The application and supporting forms must be filled out completely and truthfully. Rather than leaving any space blank it is preferable the "none" or NA (not applicable) be noted. The client should be made to understand that they are signing a legal document, and that they are certifying the truth of the information in the whole document.

Your staff is responsible for reviewing the information in order to determine the client's eligibility to obtain services under the CDBG contract. You must determine the following information depending on the type of contract your agency has:

- I. Standard Public Services
 - A. You must determine whether the client meets income guidelines.
- II. Limited Clientele: Presumed Benefit
 - A. You must determine if the client meets the specific population characteristic under the presumed benefit eligibility terms of your contract.
- III. Limited Clientele: Nature and Location
 - A. Forms must be completed for each client served reflecting the client's address.

Review of the client certification forms for eligibility and determining which clients may be served under your Community Development contract should be assigned to staff who has been trained in the specific requirements of your contract.

Certification forms must be on file for each client served and must be updated every 12 months. If your agency serves more than one client in a household, a single certification form may be completed for the household, but all household members must be clearly identifiable on the form.

If you encounter a unique situation wherein a client appears eligible for services, but it is not possible to obtain a certification, please contact Community Development. It may be possible to work out a method of documenting special cases if necessary.

Appendix B

ACCESSING THE INTERNET

The U.S. Department of Housing and Urban Development offers online links of documents located at web site:

<http://www.hud.gov>

<http://www.hudclips.org>

<http://www.huduser.org>

www.gpoaccess.gov/cfr/index.html

www.whitehouse.gov

APPENDIX H

CHDO CAPACITY POLICIES & PROCEDURES

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 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.

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.

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 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.

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 MCCD 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:

- a. Title VI of the Civil Rights Act of 1964
- b. The Fair Housing Act – Title VIII of the Civil Rights Action 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.

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 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.

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.

APPENDIX I

CITIZEN ADVISORY COMMITTEE POLICIES AND RESPONSIBILITIES

MONTGOMERY COUNTY COMMUNITY DEVELOPMENT

CITIZEN ADVISORY COMMITTEE

POLICIES AND RESPONSIBILITIES

Purpose of the Committee:

The Montgomery County Community Development (MCCD) Citizens Advisory Committee acts as the eyes and ears of Montgomery County Citizens. The purpose of the Committee is to improve and insure Citizen input and participation in decisions made regarding MCCD funds.

Eligibility Requirements To Serve:

- 1) A citizen of Montgomery County.
- 2) At least eighteen (18) years of age.
- 3) An interest in local community issues.
- 4) Transportation and ability to attend meetings and public hearings.
- 5) Have an active email address and a phone number.
- 6) The ability to read and write the English language.

Recommended to either reside in a low income area, or represent low to moderate interest groups. Have no conflict of interest with the activities or funds of MCCD. No Committee member, or his/her immediate family, can receive a direct or indirect benefit from CDBG funds or activities funded through MCCD, serve on the Board of Directors or an Advisory Committee of an agency eligible for funding, or serve as a grant writer, staff member, or other advocacy capacity for an agency eligible for funding.

Citizens Advisory Committee:

Each member is appointed by a member of the Montgomery County Commissioners Court. Each County Commissioner shall have on the Committee at all times no less than one (1) representative. The County Judge shall have on the Committee at all times no less than one (1) representative. The term for each member is determined at the time of his or her designation by the appointing Commissioner/County Judge. At the discretion of the appointing Commissioner/County Judge, a Committee member completing a term may be reappointed to serve a consecutive term. There are no term limits for Committee members, except as determined by the appointing or sitting Commissioner/County Judge.

Any Committee member who shall absent him or herself from two meetings or hearings is ineligible to vote on annual allocations and is subject to possible forfeiture of his or her position, and would at the discretion of the designating member of Commissioners Court, immediately cease to be a member of the Montgomery County Community Development Citizens Advisory Committee. Reinstatement of any member is with the approval of the designating member of Commissioners Court.

Public Administration:

The Montgomery County Community Development Citizens Committee members report directly to the Community Development Director. The Director reports to the Montgomery County Commissioners Court.

Citizens Committee members are responsible for reviewing all grant proposals submitted to MCCD requesting MCCD funds. They are responsible for reviewing the budgets of said grant proposals, ranking the proposals, and recommending the grants to be funded by prioritizing what needs in the community will be met by the funding. They are responsible for insuring the grants they recommend to the Director are consistent with the goals set forth in the Consolidated Plan. Members attend and participate in all allocation public hearings. Members report to the MCCD Director community information vital to meeting community needs.

The MCCD Director is responsible for setting the time and place of all meetings and public hearings for the Citizens Advisory Committee members. The director will notify the Citizens Advisory Committee via mail and/or telephone of a scheduled meeting or hearing. Citizens Advisory Committee members shall notify the MCCD Director of their availability to attend, or not attend, the meeting or hearing no later than 24 hours prior to the meeting. Notification can be left with the MCCD Administrative Manager, on the MCCD voice mail recorder, or given to the Director personally.

Minutes of Citizens Advisory Committee meetings will be taken and a record made of each meeting. The minutes will be prepared by the MCCD office in written form and placed on the agenda for the following meeting for corrections, deletions, and approval.

Resource Collection:

The Citizens Advisory Committee assists the MCCD Director in the collection of required data and provides input for that purpose. The Committee acts as a resource group and suggests strategies to develop the Five-Year Consolidated Plans, and Annual Action Plans. These strategies are to be in direct coordination with local community interests and needs. Community interests are determined by set public hearings along with other various community-related groups and neighborhood associations.

ADVISORY COMMITTEE

WHAT IS YOUR ROLE?

AS THE MONTGOMERY COUNTY CITIZENS ADVISORY COMMITTEE YOU ARE TO :

- 1) PROVIDE INPUT INTO THE DATA COLLECTION.
- 2) ACT AS A RESOURCE GROUP.
- 3) SUGGEST STRATEGIES TO DEVELOP THE PLANS.
- 4) COORDINATE WITH COMMUNITY INTEREST.
- 5) INSURE PRIORITY COMMUNITY NEEDS ARE MET.
- 6) MAKE RECOMMENDATIONS TO COMMISSIONERS COURT THROUGH THE MCCD DIRECTOR.

APPENDIX J

CITIZEN PARTICIPATION PLAN

MONTGOMERY COUNTY, TEXAS

CITIZEN PARTICIPATION PLAN

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, posting on the MCCD webpage, 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, have an email account, 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 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 (Annual Plan), 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.

Hearing on Declared Disaster Special Funds

Prior to the addition of or substantial changes to an Annual Plan, 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 uses of funds. This hearing may be virtual or live, depending on the exigencies of the disaster. The rules/waivers prescribed by the funding source will be used to determine the length and method of public notice for these special funds. Due to the emergency nature of these changes, hearings may not be restricted to specific times of the day or week.

Location and Time of Hearings

All hearings except those associated with disaster-related funding will be held after normal work hours (no earlier than 5:30pm) to allow working persons to attend and comment. Special, disaster related hearings may be held during work hours, or on weekends, as conditions permit. 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 Courthouse Bulletin Board

- 2) The Montgomery County Public Libraries
- 3) The Montgomery County Community Development Centers

Such notices will generally be posted at least ten (10) days prior to any public hearing, unless this requirement is waived by a funding source due to disaster-related conditions, in which case the posting requirements will be modified in accordance with the rules of the grant.

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 AND APPEALS

Upon receipt of a written complaint or appeal, the Director of the Montgomery County Community Development Department will research the complaint/appeal 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 K

DEMOLITION NUISANCE ABATEMENT POLICY AND PROCEDURE

NUISANCE ABATEMENT/DEMOLITION-ONLY POLICY AND PROCEDURE

POLICY

Montgomery County demolishes derelict, abandoned properties deemed unsafe and likely to draw vermin, crime, anti-social behaviors or other negative impacts to neighborhoods/areas in Montgomery County. Buildings are demolished using CDBG funds under the Spot Slum and Blight National Objective.

Procurement of a demolition contractor and all steps in the process of demolishing a building comply with 24 CFR 570 and related OMB Circulars.

Properties are thoroughly cleared and a lien is placed on the land such that the owner cannot sell or change the disposition of the land until the lien is vacated. Liens may only be vacated by paying restitution in the amount equal to the CDBG funds used for the clearance activity back to Montgomery County.

Recaptured demolition funds are rolled back in to the demolition-only program for continued use for removal of spot blight. The allowed 20% of program income available for use to administer the program is withheld at the discretion of the Director of Community Development.

Montgomery County slates projects for demolition via a Complaints-Only system. The County does not proactively identify eligible projects. Demolition activity is in response to citizen complaints directed to the Environmental Health Department of the county.

Demolition-Only activities are funded on an as-needed basis and are not an automatic line item in the Community Development budget. Program Income must be used for demolition prior to accessing allocated funding.

NUISANCE ABATEMENT PROCEDURES

Complaint Received

1. Document complaint and enter data into County System.
2. Verify complaint with physical inspection of property
3. Take several (4-5) photos of property
4. If applicable, leave violation notice on property with photo documentation
5. Verify address and record on property in question

Notify Owner

1. Print out MCAD info with data sheet
2. Send registered/certified 30-day response letter with detailed violations to all addresses on file of owner. If responses received by County within 30 days, the Owner(s) are given the opportunity to clean up and maintain their property.

Flood Plain Verification

1. Verify with available Permitting resources whether property is located within or outside of flood plain map area
2. If property is located in a flood plain area, there is absolutely no use of Community Development Block Grant funds. Other agencies, such as but not limited to, FEMA, Commissioner Precincts, Homeowners Associations, may cover the cost to abate the nuisance. If no funding is available, the property is left as is.

Title Opinion Inquiry

1. Send project file to County Attorney for title opinion inquiry
2. Resend registered/certified 30-day response letter to all owners of record

Commissioners Court Presentation

1. County Attorney prepares orders to abate nuisance
2. Present to Commissioners Court for Approval

Public Notice

1. Send legal ad abatement notice to local newspaper
2. Set date for legal ad to run for two separate days
3. Post and photograph (for file) large abatement sign on property

Demolition

1. Request quote from Contractor approved by Commissioners Court
2. MC Community Development processes Purchase Order for Contractor as notice to proceed
3. Allow thirty days from legal notice in local paper to begin demolition
4. Take photographs of property before, during and after demolition

Liens

1. Request County Attorney to prepare lien forms for property
2. Present to Commissioners Court for approval
3. After approval file in folder

Environmental Department Folder

1. Complaint
2. Copy of letter
3. Certified letter receipt
4. Photos of property
5. Flood plain map
6. Title opinion
7. Legal notice
8. Order to abate
9. Key map page
10. Bid for demo
11. Invoice of demo
12. Photos of demo
13. Environmental checklist
14. Lien notice

APPENDIX L

DOWN PAYMENT ASSISTANCE (DIRECT HOME SUBSIDY) PROGRAM GUIDELINES & APPLICATION



MONTGOMERY COUNTY COMMUNITY DEVELOPMENT

501 N. Thompson, Ste. 200, Conroe, Texas, 77301

Director of Community Development: Dr. Joanne Ducharme
936-442-7752 Joanne.Ducharme@mctx.org

MONTGOMERY COUNTY HOME FUND PROGRAM

Down Payment Assistance Program

Program administered by
Easter Seals Greater Houston
www.eastersealshouston.org

Program administrator: Katy Thorstenberg
kthorstenberg@eastersealshouston.org
1600 Lake Front Circle, The Woodlands, Texas, 77380
356-330-3904 (Office) 281-466-2855 (Fax)



INTRODUCTION

Montgomery County Community Development is a department of county government, directed by Commissioner's Court and overseen by the Houston Field Office of the Department of Housing and Urban Development. All activities must comply with relevant portions of the Code of Federal Regulations, state and federal statutes, and county rules

MISSION STATEMENT

Montgomery County Community Development works to develop decent housing, a suitable living environment and expanding economic opportunities, principally for legal low-and moderate-income residents of Montgomery County, Texas.

THE MONTGOMERY COUNTY HOME FUND PROGRAM

The Montgomery County HOME Fund program was created in 2006 as a program of the Montgomery County Community Development, Conroe, Texas, to provide down payment assistance to low- to- moderate income first-time homebuyers purchasing homes in Montgomery County.

Funding is provided through grants of the HOME Investment Partnerships Program, a formula-based allocation program providing financial support to state and local affordable housing programs. The HOME program was authorized by Title II of the National Affordable Housing Act of 1990 and its implementing regulations are found at 24 CFR Part 92.

The 2020 Lender's Reference Guide here attached outlines the policies, process and procedures for lenders and prospective program applicants.

Definition of Terms

Administration

The Program will be operate in accordance with all applicable rules and regulations of the Department of Housing and Urban Development (HUD), Montgomery County and Easter Seals Greater Houston. Administrative procedures will be revised as necessary to comply with any future changes in such rules and regulations. The Program Administrator will be responsible for accepting, reviewing and approving applications, approving property eligibility, and maintaining all records as required by and HUD and/or Montgomery County Community Development.

Administrative Procedures

The program is designed to assist low-income first-time homebuyers purchase affordable, safe and decent housing. The program is available through the Montgomery County Community Development Department and is administered by Easter Seals Greater Houston by contract.

Mortgages provided will include Conventional, FHA, USDA, or VA home loans. The assistance (Direct HOME Subsidy) to the homebuyer will be up to \$12,600 in the form of a deferred or forgivable loan for new or pre-existing homes.

Affordability Period

Terms defined in the second lien Deed of Trust that require the homebuyer to occupy the property as their primary residence for the specified five-year period commencing on the date of the NOTE.

Area Medium Income (AMI)

The income limits published annually by HUD for the County Metropolitan area.

Back-end Ratio

The back-end ratio, or debt-to-income ratio, reflects the percentage of gross monthly income the individual homebuyer is expected to pay for housing debts and expense plus all recurring consumer debt (i.e., PITI and other fees plus credit

card auto loan and other installment and revolving debt that appears on a credit report. The back-end ratio for the program is set at 45%.

Buyer Contribution

The amount of funds that the buyer must invest in the purchase of the property either through earnest money, option fee, or other related costs paid outside of closing.

Montgomery County program requires the buyer to contribute a minimum of \$500 towards the purchase of the home.

Direct HOME Subsidy

Amount of HOME assistance provided directly to the homebuyer including down payment closing costs, interest subsidies that enable the homebuyer to purchase the property.

Deferred or forgivable loan

A non-amortizing, non-recourse, no interest, deferred payment loan, with repayment in accordance with the terms and conditions of the promissory note.

Determination of Amount of HOME Subsidy

Specific amount of HOME assistance is determined for the homebuyer by review of the applicant's monthly expenses, assets or cash reserves, income and credit history. The goal is to ensure that the homebuyer receives neither more HOME assistance than is necessary, nor an amount of assistance that is too low to purchase the property.

Deferred Payment Loan

The down payment assistance (direct HOME subsidy) are provided in the form of a five (5) year deferred, forgivable payment second (2) lien loan, a non-amortizing, no interest second lien loan. Terms of forgiveness are defined in the second (2) lien Note and secured in the second (2) lien Deed of Trust.

Displaced Homemaker

An individual who meets the following criteria (per 24 CFR 93.2 Sec 956):

- A single parent while married, owned a home with his or her spouse or resided in a home owned by the spouse, who is now divorced from that spouse
- 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
- Is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment

First-time Homebuyer

An individual who has had no ownership in a principal residence during the last 3 years. This includes a 'displaced homemaker', who lost home due to a divorce and has custody of children under the age of eighteen (18).

Form of Ownership

Fee simple

Front-end ratio

A ratio indicating the portion of an individual's income allocated to the mortgage payment (includes principal, interest, taxes, homeowner(s) insurance and mortgage insurance) divided by the individual's gross monthly income.

HOME Investment Partnerships Program Funds (HOME)

A federal block grant program which provides formula grants to States and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

Homeowners Insurance

Applicant must purchase Homeowners Insurance policy before closing which includes Montgomery County in mortgagee clause as second (2)nd lien-holder. Copy of Homeowners insurance binder must be provided to the program administrator before closing.

Household Income

Total Household gross annual Income calculated per HUD HOME Investment Partnership Program regulations detailed in 24 CFR Part 5. Income from all members who will be living in the home is included with two (2) exceptions:

- Income from individuals under the age of 18 years old
- Income in excess of \$480 for individuals over age of 18 who are full-time students and not listed on the Deed of Trust

Income will be calculated based on all wages and salaries, including overtime pay, commissions, fees, tips and bonuses and all other compensation for personal services before any payroll deductions.

Total household income will include the following types of income verified with supporting documentation: child support, alimony, TANF, Social Security, Disability/SSI.

The gross annual household income adjusted by household size cannot exceed 80% Area Medium Income as set by HUD.

AMI%	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
80%	42,750	48,850	54,950	61,050	65,950	70,850	75,750	80,600

Household Size

Includes all persons who will be residing in the home.

Housing Counseling

All applicants must take a HUD-approved Homebuyer Education course and receive a certificate. In addition, the individual receives one-on-one pre-purchase financial counseling as needed from initial application to purchase by the administrator.

HUD

United States Department of Housing and Urban Development

HQS HOME INSPECTION

Housing Quality Standards property inspection performed by certified inspector to ensure that the property is “decent, safe and sanitary”. The HQS inspection regulations are found in the HUD 24 CFR 982. All properties purchased using HOME funds must pass an HQS inspection at program’s expense.

Liquid Assets

Liquid assets include all cash in checking and/or savings accounts and investments such as stocks, money market instruments and government bonds. The applicant may not have more assets of 2 ½ times more than the amount of assistance received. Assets in retirement accounts are not included.

Property Standards

Properties must meet all local codes, rehabilitation standards, and zoning or other ordinances. If there are no local codes, HUD requires that the property meet and comply with: The International Residential Code, 2. – 2012 Edition, Uniform Plumbing Code, Uniform Mechanical Code and International Energy Conservation Code, 2015.

Recapture Provisions

The down payment assistance (Direct Home Subsidy) is provided in the form of a deferred second (2)nd lien, non-amortizing, non-recourse, no-interest loan. If the Homebuyer(s) sells, refinances, or moves out of the property within the five (5) year period, the Homebuyer(s) will be responsible for the amount not forgiven as specified in the promissory note. The 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 so described. If there are no Net Proceeds, repayment of the Note is not required.

Release of Lien

A release of lien will be issued at maturity of the five-year affordability period or in the event of a loan payoff.

Second (2)nd Lien Deferred Loan

A lien in second position to the mortgage lender's first lien, is placed against the property until the affordability period is satisfied by the terms of the Deed of Trust, at which time, the second (2)nd lien is released. If the homeowner does not remain in the home for the full five (5) year period, repayment per a pro-rata formula as stipulated in the second lien NOTE is due and payable to Montgomery County.

Service Area

Service area includes all properties located within Montgomery County excluding properties paying city of Conroe taxes.

PROGRAM GUIDELINES

Applicant(s) Eligibility Requirements

- Total gross annual household income cannot exceed eight (80%) percent of the area Median income adjusted for family size, determined by HUD
- Income received by all adults over the age of eighteen (18) who will be living in the home to be purchased will be included in the total household income.
- Minor dependents who will not be living in the home to be purchased at least 50% of the time will not be counted in the household family size.
- Applicant(s) must be a first-time homebuyer, defined by HUD as not having ownership in a home within the last three (3) years with some exceptions noted in definition of terms
- Household members must be a U.S. Citizen or permanent resident alien (supporting documentation is required) – no work permits are allowed
- Applicant(s) must maintain the home as their primary place of residence for the full five (5) year affordability period. If the affordability period is not satisfied, a portion of the loan must be reimbursed to Montgomery County Community Development on a pro rata basis as outlined in the 'Recapture Provision' guidelines.
- Applicant(s) must attend a HUD-Approved Homebuyer's Education Class
- Applicant(s) must invest a minimum of \$500 toward the purchase of the property through real estate inspections, earnest money deposits, option fees and other
- Applicant(s) may not have liquid assets in excess of 2 ½ times the amount of the assistance received in non-retirement accounts. IRAs and 401K's (retirement accounts) are subject to a 0.06% imputed income from assets. All deposits over \$100 must be sourced and documented.
- Two (2) years of tax returns and W2s are required. If self-employed, applicant(s) must provide a year-to-date profit and loss statement.
- The front-end ratio cannot exceed 38% and the back-end ratio (DTI, debt-to-income ratio) cannot exceed 45% as based on income and debts as calculated by the program.

- The homebuyer(s) income must be greater than the total overall household debt (recurring expenses, monthly expense, short and long term obligations).
- Applicant(s) must qualify for a 30-year fixed-rate FHA, Conventional, USDA, or VA loan
- Applicant(s) must certify that they intend to occupy the property as their principal residence.
- Property built after 1978 and pass HQs home inspection
- Purchase Home in Montgomery County outside the city limits of Conroe
- Maximum sales price as set by HUD of \$204,000 pre-existing home, \$227,000 new home

2019 Household Income Guidelines

AMI%	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
80%	42,750	48,850	54,950	61,050	65,950	70,850	75,750	80,600

Property Requirements

- Properties must be located within Montgomery County excluding all properties paying city of Conroe taxes.
- Properties must be built after 1978.
- Properties may be single-family unit, condominium, or townhouse.
- Manufactured home are acceptable if is new, double-wide, connected to permanent utility hook-ups and located on land that is owned by the manufactured housing unit owner.
- Property must pass an HQS Inspection and comply with all local building codes, ordinances, and zoning ordinances.
- The acquisition of the property cannot result in the displacement of the present tenant. HOME fund-assisted properties must comply with the HUD Displacement, Relocation and Acquisition guidelines. Seller must sign Notice to Seller of Real Property.

- Property must be modest housing, with purchase price not exceeding 95% of the median purchase price for the area as set by HUD

2019 Purchase Price Limits

Pre-existing Home	New Home Construction
\$204,000	\$227,000

POLICIES

MINIMUM LOAN AND LENDER REQUIREMENTS

1. Loans must be either a Conventional (conforming, or non-conforming), Portfolio, FHA, VA or Rural Development (RHS) mortgage loan.
2. Adjustable rate mortgages, balloon loans and prepayment penalties are NOT allowed
3. Mortgage loans will be screened for excessive fees and/or high interest rates.
4. First lien loans must be on a fully amortized fixed rate loan for 30 years with an interest rate that does not exceed the prevailing market rates for conforming loans by more than $1\frac{1}{4}\%$. (USDA 502 Direct loan of up to 33 years is acceptable.)
5. Home Buyer's housing costs cannot exceed 38%, based on Easter Seals' income calculation, not the lender's calculations. Debt to income ratio shall not exceed 45%.
6. Originator cannot charge more than 2% in upfront fees, not including third-party fees.
7. Prepayment Penalties will not be allowed.
8. All Homebuyers must contribute at least \$500 of their own funds.
9. Loan Terms must be 30 years with the exception of the USDA which may be up to a 33 year term.
10. All assets, including gifts, listed on 1003 Loan Application will be considered as assets of homebuyer and counted as income (see Household Income Worksheet).
11. Home Buyers with liquid assets in non-retirement funds in excess of two and one-half times amount of the assistance received will be ineligible for assistance. This includes gifts listed as assets on 1003.
12. Montgomery County will not subordinate its lien.
13. Montgomery County's lien must be in a second lien position.
14. Eligible Gift Programs used in combination with our funds are allowed, but must be approved by Easter Seals Greater Houston.
15. If the Homebuyer is requesting more than one assistance program, written approval from Easter Seals Houston is required.
16. The Seller contribution can be up to 6%, but buyer cannot receive any funds at closing.

17. Easter Seals Greater Houston does not allow the same person to act as both Real Estate Agent and Lender in same transaction.
18. "Homebuyer Assistance Fees" cannot be charged, regardless if it is considered a Lender or Real Estate Fee.
19. Eligible expenses for the Montgomery County Down Payment Assistance program include down payment, closing cost and pre-pays. Principal reductions are eligible expenses if necessary to meet program's housing ratios.

With only minor exceptions, Easter Seals Greater Houston works with all lenders in good standing and lawfully practicing in the State. Easter Seals Greater Houston reviews the loan terms, fees and rate to make sure the financing provided is in the best interest of the homebuyer. 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 Greater Houston has no requirement on credit score or credit issues, nor performs any financial underwriting. A credit report is reviewed to verify amount of debt of the borrower to be included in the debt-to-income housing ratios. Debts are evaluated as to short-term (debts due to be paid off within ten (10) months) and long-term debts (debts with pay-off terms more than ten (10) months). Those short-term debts will be subtracted from the total debt which will lower the debt-to-income ratio.

All of the above requirements must be met in order to fund the assistance (direct HOME subsidy), and are intended to benefit the homebuyer.

Determination of amount of assistance per Household **Recapture Provision**

In accordance with HUD's 24 CFR Part 92, HOME Underwriting and Subsidy Layering Guidelines, the amount of assistance to the borrower is determined on an individual basis:

Under the provisions of §92.250(b) of the HOME Rule, a PJ may not invest any more HOME funds, alone or in combination with other governmental assistance, than is necessary to provide quality affordable housing that is financially viable through the affordability period (see §§92.252 or 92.254).

The Administrator will determine the amount of assistance needed to purchase and meet housing ratios based on the lender's 1003, Fees Worksheet, purchase contract and calculation of the borrower's assets and debts.

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 household members through earned income, social security, disability benefits, child support or any other source of income of 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.

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 as

outlined in the second lien NOTE is determined by the following: The homebuyer must reside in the home for two (2) years from purchase date before any amount is forgiven. After two years, the subsidy is forgiven 25% each year.

The second (2) lien NOTE stipulates the following:

Provided that the Homebuyer 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 Homebuyer'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 Homebuyer'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: (Senior Lien Holder) hereinafter the First Lien Note (FLN) is paid in full according to its terms; or

- (a) The FLN is refinanced in whole or in part or is assumed by a new homebuyer without the consent of Montgomery County; or

- (b) 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**
- (c) 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**
- (d) All or part of the Property is sold; or**
- (e) The Home Buyer ceases to occupy the Property as his or her principal residence.**

Release of Lien

A release of lien for the second (2)nd lien deferred loan will be issued by Montgomery County Community Development upon maturity of the five (5) year affordability period or in the event of the mortgage loan payoff due to sale of the property.

APPLICATION PROCESS

Application submitted to Administrator

Prospective homebuyer or lender submits application with the following documents: (financial documents required from all persons in household)

- Last 2 months of Paycheck receipts
- Last 6 months of checking account statements
- Most recent savings account and/or retirement account statement
- Last 2 years of tax returns and W2s
- HUD-certified Homebuyer Education Class (may be provided later)
- Pre-qualification letter for mortgage loan (may be provided later)
- Name and contact information for realtor (may be provided later)
- Award Letters for any benefits received by a household member
- Documentation for other income such as child support
- O-Certification form signed by adults over 18 years of age who receive no income, either from earned income or benefits

Commitment of Funds letter issued

If approved, a conditional Commitment of Funds letter is issued for up to \$12,600 of down payment/closing cost assistance.

- Purchase contract is secured and e-mailed to Administrator
- 1003 Loan Application and Fees Worksheet submitted to Administrator

HQS Inspection Ordered

Within 3-5 days...

- Property is inspected and any repairs are noted and completed by seller.
- Compliance report is e-mailed to Administrator.

- Lender is notified property passes inspection.
- Closing date may not be scheduled until receipt of inspection compliance report.

Checklist of lender documents for final file

Documents provided the administrator as available:

- Prequalification letter
- Homebuyer Application with all required documents (if provided by lender)
- Executed Purchase Contract, all disclosures
- Notice to Real Property Owner/Seller
- HUD-certified Homebuyer education Class certificate (if not provided by homebuyer)
- Loan Estimate
- Form 1003
- Fees Worksheet
- Verification of Employment
- Property Appraisal
- Flood Determination
- Survey
- Tax certification
- HOA certification (if applicable)
- Title commitment, all schedules
- Homeowners Insurance e-mailed to Administrator including Montgomery County as second (2)nd lien-holder in mortgagee clause
- First lien Deed of Trust and first lien NOTE
- Signed Closing Disclosure

Checklist of Homebuyer (s) documents

- ☐ 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.)*
- Valid Driver's License or ID Card for all household members 18 years or older
- ☐ Affidavit of Citizenship or permanent legal residency
- ☐ Signed Credit Authorization form.

- ☐ Provide copy of the most current 2 months pay stubs for applicant, co-applicant, and any household member over 18.

- ☐ Provide copy of the most recent 6-months CHECKING account statements for applicant, co-applicant, and any household member *(reflecting acct holders name, institutions name, and monthly ending balance)*.

***Note: We will also need explanations for all large deposits that are not direct deposit from employer

- ☐ Provide copy of most recent SAVINGS account statement for applicant, co-applicant and any household member.
- ☐ Copy of Last 2 Years W-2's & Tax Returns for applicant, co-applicant, and any household member over 18.
- ☐ Provide signed Certification of 0 Income for anyone over 18 in household who does not receive income, either earned income or benefits,
- ☐ If self-employed, provide previous 3 years Tax Returns, Current Profit, and Loss Statement.
- ☐ Most recent statement for any 401K, Retirement, Pension or IRA, Stock, Profit Sharing, and/or CD accounts.
- ☐ Award letters for any benefits received such as SS, SSI, or SSDI by any household member.

- ☐ Copy of divorce decree. *(No assistance will be provided under a pending divorce or temporary separation decree.)*
- ☐ Court order for child support or OAG printout *(even if the support is not received.)*
- ☐ TANF (AFDC, WIC, etc.) Please provide proof of any assistance received (if applicable)
- ☐ Homebuyer Education Certificate

Final Commitment of Funds letter issued

Within 2 days of receiving lender's Loan estimate and inspection compliance report..

- Amount of assistance determined based on loan application, fees worksheet, purchase contract, Loan Estimate.
- Final commitment of funds letter confirms all conditions have been met and verifies amount of assistance borrower will receive at closing.

Closing Disclosure reviewed by Administrator

- Closing Disclosure reviewed to verify **NO CASH BACK TO BORROWER AT CLOSING**
- Montgomery County is listed as second (2)nd lien provider.
- All required lender documents per checklist are received by Administrator.
- Contact information for title company, escrow officer is provided.

Closing

- Second (2)nd lien Deed of Trust and second lien (2)nd lien NOTE prepared by Administrator and sent to title company, copy to lender.
- Certified check delivered to title company 24 hours before closing

- Second (2) lien Deed of Trust does not require title insurance
- Second (2)nd lien Deed of Trust is recorded by title company and forwarded to Administrator.
- Fee charged by the title company for recording of second (2)nd lien Deed of Trust may be included in settlement costs on Closing Disclosure.



Montgomery County Home Fund Program Administered by Easter Seals Greater Houston

HUD-certified Homebuyer's Education provider

***Up to \$ 12,600
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 as set by HUD of \$204,000 pre-existing home, \$227,000 new home
- Housing ratios 38/45%
- Qualify for a 30 year fixed-rate FHA, Conventional, USDA, or VA loan with a lender of your choice
- Up to \$12,600 for used or new home construction, built after 1978

AMI%	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
80%	42,750	48,850	54,950	61,050	65,950	70,850	75,750	80,600

*Assistance (Direct Home Subsidy) contingent upon availability of funds
For more information, please call (346)330-3904 or (cell) 832-563-6575 or e-mail
kthorstenberg@eastersealshouston.org
Or visit our website: www.eastersealshouston.org

Montgomery County HOME FUND Program

Application

Required Documents

MONTGOMERY COUNTY HOME FUND PROGRAM

Down Payment Assistance (Direct HOME Subsidy)

Administered by Easter Seals Greater Houston

APPLICANT INFORMATION

Primary Applicant

NAME (Last, First, Middle Initial)

CURRENT ADDRESS:

CITY, State, Zip Code

HOME PHONE:

CELL PHONE:

WORK PHONE:

EMAIL:

Co-Applicant/Non-Purchasing Spouse

NAME: (Last, First, Middle Initial)

HOME PHONE:

CELL PHONE:

WORK PHONE:

EMAIL:

HOUSEHOLD COMPOSITION

List the Head of Household (HH) and all other persons who will be living in the home.

NAME	Relationship to HH	Date of Birth	Sex	Social Security #

INCOME INFORMATION

*Please provide name, ages and annual income of all persons in the household. Include any benefits, pensions or public assistance received by all persons living in the home.
(Benefits may include SS, SSI, SSDI, WIC, or child Support)*

NAME	Type of Income (Salary or Benefits)	ANNUAL INCOME

Primary Applicant Employment

COMPANY NAME

PHONE/FAX

ADDRESS

OCCUPATION

Co-Applicant/Non-Purchasing Spouse Employment
--

COMPANY NAME

PHONE/FAX

ADDRESS

OCCUPATION

Additional employment income received by household members

Household Member	Company Name	Phone/fax	Occupation

<p align="center">Asset Information</p> <p align="center"><i>(Please provide the name of the Bank, Savings and/or Checking Account number for all persons who will be living in the home.)</i></p>

Applicant	Bank	Checking/Savings/Retirement Accounts	Account #

Do you own real estate property? ☐ Yes ☐ NO

Are you presently living in public or subsidized housing? ☐ Yes ☐ No

NOTE: *Easter Seals Greater Houston may count as assets any asset listed on lenders 1003 application.*

I understand that the above information is being collected to determine my eligibility for Homebuyer Assistance. 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 and Deed of Trust. I understand this is a non-recourse, no-interest, non-amortizing deferred five-year forgivable loan to assist in the purchase of a home.

Primary Applicant

Co-Applicant

First-Time Homebuyer Status and Certification of Principal Residence

Homebuyer(s):

Current Address, city and zip code:

I/We hereby certify that I/we meet the definition of first-time homebuyer as defined below:

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 the assistance (direct HOME subsidy) is provided in a five-year deferred payment loan to cover down payment and eligible closing costs, to be evidenced by a promissory note signed at closing and secured by a second lien Deed of Trust against the Property from Home buyer to a trustee for the Montgomery County. In the event that the Homebuyer sells the property during the term of the loan, the Homebuyer shall reimburse Montgomery County the amount due as specified by the promissory note. During the five-year term of the loan, the Homebuyer must maintain the Property in good condition, and cannot refinance, rent or lease the property.

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 and Deed of Trust.

Signature of Homebuyer

Date

Signature of Homebuyer

Date:

MONTGOMERY COUNTY HOME FUND PROGRAM AGREEMENT

TYPE AND DETERMINATION OF AMOUNT OF ASSISTANCE:

The assistance is provided to the homebuyer as a five (5) year, non-amortizing, no-interest, deferred payment loan to cover down payment and eligible closing costs, evidenced by a promissory note to be signed at closing and secured by a second lien Deed of Trust against the Property from the homebuyer to a trustee for Montgomery County.

The amount of assistance is determined by the Administrator based on the amount needed to purchase the property and meet program's housing ratios after review of the purchase contract, lender's 1003 and fees worksheet.

Terms and Conditions:

1. Homebuyer agrees to occupy the Property on a continuous, full-time basis as their principal residence throughout the five (5) year term of the Loan commencing on the date of the Note.
2. Homebuyer agrees to carry homeowner's insurance and maintain the property in good repair during the five (5) year period.
3. The property must pass an HQS home inspection at program's expense before closing.
4. If the homebuyer rents, leases, refinances or sells the property before the end of the five-year period, the deferred amount of assistance must be repaid to Montgomery County from the available Net Proceeds as stipulated in the second lien Note.

Repayment of unforgiven balance of assistance timeline per Second Lien NOTE:

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%

Signature of Homebuyer

Date

Signature of Homebuyer

Date

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
DOWN PAYMENT ASSISTANCE (DIRECT HOME SUBSIDY)**

CREDIT 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 eligibility for down payment assistance through the Montgomery County HOME Fund program.

I further authorize ES Greater Houston to share with potential mortgage lenders my credit report in an effort to help me reach my goal of home ownership.

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

Affidavit of Citizenship

Please verify citizenship by checking one of the boxes below:

☐ **I hereby affirm that I am a citizen of the United States of America (U.S.A.).**

☐ **I hereby affirm that I am a Permanent Resident Alien, which is a person who is not a citizen of the United States, but who is legally residing permanently in the U.S.A.**

Applicant (Please Print)

Applicant (signature)

Date

Photocopy of documentation attached.

CERTIFICATION OF ZERO INCOME

(To be completed by adult household members only, if applicable)

Household Members

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

NOTICE TO REAL PROPERTY OWNER/SELLER

DATE: _____

OWENR(s)/Seller(s): _____

Buyer(s): _____

Address of Property: _____

Dear Owner/Seller:

The above-referenced property is being considered for purchase. Because Federal funds in the form of down payment and closing cost assistance to the Buyer may be used in the purchase of your property, we are required to disclose the following information by the U.S. Department of Housing and Urban Development (HUD) (Uniform Relocation Assistance and Real Property Acquisition Policies Act as amended (URA), Section 24.101(b)(2)):

1. The proposed sales is voluntary. In the event negotiations fail to result in an agreement, the property will not be acquired via voluntary purchase or eminent domain.
2. The fair market value of the property is estimated to be \$ _____. However, since this transaction is voluntary, current or future negotiations may result in a price that could be (a) commensurate with this estimate or, (b) for an amount that exceeds or is less than this estimate.

An owner-occupant who conveys his or her property under these terms does not qualify as a displaced person. Additionally, any person who occupies the property for obtaining assistance under the URA does not qualify as a displaced person. However, tenant-occupants displaced because of a voluntary acquisition may be entitled to URA relocation assistance and must be informed in writing as soon as feasible. In accordance with HUD requirements, if the information provided above is disclosed after an option to purchase or contract has been executed between the Buyer and the Seller, the Seller must be provided the opportunity to withdraw from the agreement.

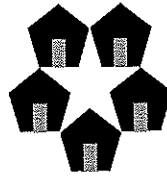
Any title deficiencies, liens, or encumbrances on the property must be cleared prior to any closing. Generally, this cost is borne by the seller of the property. However, if approved by the participating jurisdiction (PJ), these costs may be fully paid by the seller, by the buyer or, as negotiated between the seller and the buyer, using their own funds. No federal funds can be used to pay these costs. A Housing Quality Standards (HQS) inspection is conducted at program expense to ensure that the property is safe and sanitary prior to closing.

Additionally, the Seller acknowledges compliance with Title VII-Protecting Tenants at Foreclosure Act of 2009, effective May 20, 2009, including, but not limited to the provision to provide bona fide tenants with a ninety (90) day notice.

Date: _____

Seller

Examples of Commitment of Funds letter



Easter Seals Greater Houston
4888 Loop Central Drive, Houston, Texas 77081
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

TO: HOMEBUYER,

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 up to \$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 homebuyer 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:

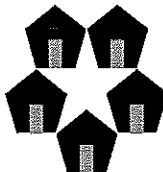
- A. the home to be purchased is located within Montgomery County (outside the city limits of Conroe);
- B. The Home Buyer must submit a conditional approval for an acceptable mortgage from a lender.
- C. The home must pass Housing Quality Standards (HQS) and all applicable building requirements.
- D. 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

Cc: Lender/Homebuyer



Easter Seals Greater Houston
4888 Loop Central Drive, Houston, Texas, 77081
Telephone (713) 838-9050 Fax (713) 838-9098
The Montgomery County Office
1600 Lake Front Circle, #248
The Woodlands, Tx 77380
(346) 330-3904 Cell 832-563-6575
E-Mail: kthorstenberg@eastersealshouston.org

DATE:

RE: Montgomery County, Down Payment Assistance (Direct HOME Subsidy) Program Conditional
Commitment of Funds

TO:

Please accept this letter as acknowledgment that all conditions have been met, and _____ qualifies for assistance from the Montgomery County Down Payment Assistance (Direct HOME Subsidy) program, in the amount of \$ _____ to be used for closing costs, and prepaid items for the purchase of a single-family residence eligible under the guidelines of this program.

These funds are available to the homebuyer in the form of a deferred, five (5)-year loan for the purpose of down payment assistance (Direct HOME Subsidy), closing cost assistance, and gap financing.

If you have any questions concerning this matter, please call 832-563-6575.

Sincerely,

Katy A. Thorstenberg
Program Administrator

Cc: Lender

Information for Realtors

Timeline and Process from Application to Purchase

Montgomery County HOME Fund Program
Down Payment/Closing Cost Assistance
Information for Realtors

The Montgomery County HOME fund program provides up to \$12,600 for down payment/closing costs assistance for income eligible families purchasing their home in Montgomery County **outside the city limits of Conroe.**

Income is calculated based on the most recent two (2) months of paycheck receipts and gross benefits received by anyone in the household. Program housing ratios are 38/45.

A conditional commitment of funds letter is issued to the applicant, valid for up to six (6) months, which outlines the specific guidelines for the property:

- The home must pass a Housing Quality Standards (HQs) inspection (paid by the program) and **all repairs noted on that report must be corrected before closing.**
- The property must be built after 1978
- The property **must NOT pay City of Conroe taxes**
- A NOTICE TO REAL PROPERTY SELLER/OWNER must be signed by seller with the executed sales contract

In order to expedite the process, please refer to the following:

- Forward by e-mail the purchase contract to my attention, kthorstenberg@eastersealshouston.org **as soon as possible** so that I may order the home inspection.
- Verify the contact information of the agent who will be meeting our inspector on site

I appreciate your working with our program and am available to answer any questions by phone, text or e-mail.

Attachments: Montgomery County HOME fund flyer

Notice to Real Property Seller/Owner

Katy Thorstenberg, NMLS #222391
Housing Initiative, Down Payment Assistance Programs Coordinator
Easter Seals Greater Houston, 1600 Lake Front Circle, The Woodlands, TX. 77380
kthorstenberg@eastersealshouston.org
Cell: 832-563-6575

MONTGOMERY COUNTY HOME FUND PROGRAM
Down Payment Assistance (Direct Home Subsidy)
Application Process

Timeline and Process from Application to Purchase:

I. MC Application with all required documentation received by Administrator

Within two (2) days after receipt of completed application

- Commitment of Funds letter issued for **up to \$12,600** of down payment assistance
- Household income as calculated by program verifying maximum mortgage payment & DTI provided to lender

II. Executed Sales Contract received by administrator

Five (5) to ten (10) days after receipt of contract Home Inspection completed

- HQS Home inspection requested by administrator
- New Builds must be move-in ready before inspection is requested
- All repairs noted on the inspection report **MUST BE CORRECTED** before closing

III. Lender provides documents as available

- Conditional Qualification
- Loan Application (1003 signed)
- Copy of Executed Sales Contract of Home, all Sellers Disclosures, Third Party Financing Addendum, signed by buyer
- Notice to Real Property Owner/Seller Form
- Appraisal
- Survey
- Flood Cert
- Tax cert/HOA
- Title Commitment, all schedules
- Closing Cost Worksheet
- Signed FHA Loan Underwriting and Transmittal Summary

- Loan Estimate
- Closing Disclosure
- Homeowners Insurance policy including Montgomery County as 2nd lien holder in mortgagee clause
- Contact information for title company and escrow officer

IV. **FINAL COMMITMENT OF FUNDS LETTER ISSUED after receipt of following:**

Five (5) days before closing

- Amount of assistance verified per Loan Estimate*
- *If funds needed to close increase, Final Commitment of Funds MAY BE revised to reflect increased funds until **FIVE DAYS BEFORE CLOSING**
Environmental report & certified check requested*
- Second lien funds necessary to close verified
- First lien loan amount and First lien holder legal name verified
- Prospective closing date and time provided

***Documents required for Environmental Report and issuance of certified Check**

- Appraisal
- Flood Certification
- Survey
- Second lien funds necessary to close verified

V. **Final Closing document review**

Three (3) days before closing

- Preliminary CD is reviewed by administrator verifying Second lien financing
- Certified check is requested and delivered to title company by close of the business day before closing
- Second lien DOT and NOTE are prepared by administrator, signed by county and originals delivered to title company
- Signed CD, first lien DOT and NOTE and signed second lien DOT and NOTE provided by title company to administrator

FYI:

- Household income includes income from **ALL** household members
- After issuance of the certified check to the title company, amount of down payment assistance **cannot be revised** – full amount **MUST BE** applied to purchase on behalf of borrower
- **NO CASH BACK TO BORROWER AT CLOSING**
- The Borrower MAY BRING cash to closing

- Title company will charge a fee for recording of the 10 page Second lien DOT included in settlement costs
- Second lien does **NOT** require title insurance & is **NOT** included on Warranty Deed
- Montgomery County HOME funds may cover down payment/closing costs/prepays and principal reduction if necessary to meet program housing ratios of 38/45%
- Montgomery County is noted on CD as source of secondary financing
- Household income **MAY** be different from lender's calculations, but mortgage terms must satisfy program housing ratios of 38/45%
- Send sales contract to administrator **AS SOON AS EXECUTED** in order to request the home inspection
- Include administrator on e-mails to ensure that all parties understand borrower is using Second lien assistance.

Katy Thorstenberg, NMLS#222391

Administrator, Montgomery County HOME Fund Program

Easter Seals Greater Houston

1600 Lake Front Circle, The Woodlands, Tx. 77380

Phone: 832-563-6575 (cell)

kthorstenberg@eastersealshouston.org

www.eastersealshouston.org

Application Submission Checklist

(Please provide the following documentation with the application)

Homebuyer provides the following documents:

- ☐ 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.)*
- ☐ Valid Driver's License or ID Card for all household members 18 years or older
- ☐ HOME Program Eligibility Release Form: signed by applicant, co-applicant, and any household member over 18. (included in application)
- ☐ Affidavit of Citizenship or permanent legal residency
- ☐ Signed Credit Authorization form.
- ☐ Provide copy of the most current 2 months pay stubs for applicant, co-applicant, and any household member over 18.
- ☐ Provide copy of the most recent 6-months CHECKING account statements for applicant, co-applicant, and any household member *(reflecting acct holders name, institutions name, and monthly ending balance)*.
Note: We will also need explanations for all large deposits that are not direct deposit from employer
- ☐ Provide copy of most recent SAVINGS account statement for applicant, co-applicant and any household member.
- ☐ Copy of Last 2 Years W-2's & Tax Returns for applicant, co-applicant, and any household member over 18.
- ☐ Provide signed Certification of 0 Income for anyone over 18 in household who does not receive income, either earned income or benefits,
- ☐ If self-employed, provide previous 3 years Tax Returns, Current Profit, and Loss Statement.
- ☐ Most recent statement for any 401K, Retirement or IRA, Stock, Profit Sharing, and/or CD accounts.
- ☐ Award letters for any benefits received such as SS, SSI, or SSDI by any household member.
- ☐ Copy of divorce decree. *(No assistance will be provided under a pending divorce or temporary separation decree.)*
- ☐ Court order for child support or OAG printout *(even if the support is not received.)*
- ☐ TANF (AFDC, WIC, etc.) Please provide proof of any assistance received (if applicable)
- ☐ Homebuyer Education Certificate

Lender provides the following documents:

1. Loan application (1003 signed)
2. Copy of Executed Sales Contract of Home, all Sellers; Disclosures, Third Party Financing Addendum, all other addendums signed by buyer
3. Notice to Real Property Owner/Seller Form
4. Pre-qualification letter
5. Fees Worksheet
6. d FHA Loan Underwriting and Transmittal Summary (HUD 92900-LT 5/2008)
7. Verification of Employment for all adult members
8. Appraisal with photos
9. Tax Certificate
10. HOA information/certificate
11. Survey
12. Flood Certificate
13. TREC Inspection
14. Loan Estimate (signed disclosures included)
15. Closing Disclosure
16. Title Commitment, All Schedules
17. Texas General Warranty Deed with Vendor's Lien
18. Homeowners Insurance policy (Montgomery County Community Development as 2nd lien-holder in mortgagee clause)
19. Deed of Trust and NOTE
20. Name and address of the title company with contact person, and closing date.

Applications may be mailed or e-mailed to:

Katy Thorstenberg
Easter Seals Greater Houston
Montgomery County United Way Service Center
1600 Lake Front Circle Suite 218
The Woodlands, Texas 77380
Phone: (cell) 832-563-6575
Email: kthorstenberg@eastersealshouston.org

Website: www.eastersealshouston.org

***Please be advised that closing date may be scheduled ONLY AFTER
RECEIPT of the Closing Disclosure & Inspection Compliance report
as ordered by program administrator**

****NO CASH BACK TO BORROWER AT CLOSING**

MONTGOMERY COUNTY HOME FUND PROGRAM
(DIRECT HOME SUBSIDY)
DOWN PAYMENT ASSISTANCE PROGRAM

LENDER DOCUMENT CHECKLIST

REQUIRED DOCUMENTS	SPECIFIC REQUIREMENTS
Lender pre-approval letter	Applicant/co-applicant
Fees Worksheet	Showing all settlement costs
Loan Application 1003	Signed & dated by applicant(s) & lender
Loan Estimate	Signed & dated
Purchase Contract & addendums	Signed & dated. Copy of earnest money funds
Uniform Residential Appraisal Report	Signed & dated
Notice to Real Property Owner/Seller	Signed and dated by Seller
Flood Certificate	
Survey	
Transmittal Summary (1008 or 92900)	Signed & dated or provide DU/LP approval

PRE-CLOSING DOCUMENTS

Received by Administrator three (3) business days before closing

Binder for Homeowners Insurance	Montgomery County listed in mortgagee clause as 2 nd lien holder
Tax/HOA certificate	
Title Commitment	All schedules, exceptions and restrictive covenants
Preliminary Closing Disclosure	2 nd lien funds from Montgomery County NO CASH BACK TO BORROWER AT CLOSING
Title Company information	Escrow officer contact information, date & address of closing
Verification of legal name of 1 st lien-holder & amount 1 st lien	To be included in 2 nd lien documents prepared by administrator

POST CLOSING DOCUMENTS

Provided within two (2) days of closing

	Senior Lender Deed of Trust	Certified, recorded copy
	Senior Lender Loan Note	Certified Copy
	Signed 2 nd lien Deed of Trust	Executed, recorded copy
	Signed 2 nd lien Loan NOTE	Executed copy
	Final certified Closing Disclosure	Signed

Security Instruments

HQS Inspection Report

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: Homebuyer

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:

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. \$ _____ (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 Lender, 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 Homebuyer to Mark J. Keough, 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 Homebuyer. 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 Homebuyer 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 Homebuyer must pay all sums secured by this Security Instrument. If Homebuyer 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 uyer.

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

Internal Support Documentation



Montgomery County
Community
DEVELOPMENT

501 N. Thompson, Suite 200
Conroe, Texas 77301
936-538-8060

August 3, 2017

Katy Thorstenberg
Easter Seals Greater Houston
1600 Lake Front Circle #248
The Woodlands, TX 77380

Re: Montgomery County EIN Number

Dear Katy:

Enclosed you will find a copy of the Montgomery County W9 form, which includes the EIN number (74-6000558) you are requesting. This is a local government entity, and the type of program is HUD, HOME program for low income. Please advise if there is anything else you require.

Sincerely,

Wendy Dow
Administrative Manager
MC Community Development

/encl.

**Request for Taxpayer
Identification Number and Certification**

Give Form to the
requester. Do not
send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
Easter Seals of Greater Houston, Inc.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only one of the following seven boxes:
☐ Individual/sole proprietor or single-member LLC
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
Exempt payee code (if any) **5**
Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)
4388 Loop Central Drive

6 City, state, and ZIP code
Houston, TX 77081

7 List account number(s) here (optional)

8 Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number

			-			-			
--	--	--	---	--	--	---	--	--	--

or

Employer identification number

7	4	-	1	2	3	8	4	1	8
---	---	---	---	---	---	---	---	---	---

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here Signature of U.S. person ▶ Date ▶ **2/2/17**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Request for Taxpayer
Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
Montgomery County, Texas (and all Elected Officials)

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only one of the following seven boxes:
☐ Individual/sole proprietor or single-member LLC
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶
☐ C Corporation
☐ S Corporation
☐ Partnership
☐ Trust/estate
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
☒ Other (see instructions) ▶ **Local Government**

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
Exempt payee code (if any) **3**
Exemption from FATCA reporting code (if any) **C**
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)
P.O. Box 539

6 City, state, and ZIP code
Conroe, Texas 77305

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number
[] [] [] - [] [] [] - [] [] [] [] [] []

or
Employer identification number
[] [] [] [] - [] [] [] [] [] [] [] [] [] [] [] []

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here Signature of U.S. person ▶ *Phyllis L. T. Austin* Date ▶ *06-23-17*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Example of Household Income Calculation

Employment Income

(All persons living in home over age of 18.)

(Excess of \$480 of full-time student not on deed is excluded)

Gross income on last 2 months paycheck receipts \$ _____

Divide by # paychecks to determine average per paycheck \$ _____

Multiply average by # pay periods per year \$ _____

Social Benefits (gross amount before deductions)

Unemployment \$ _____

Disability Social Security \$ _____

Social Security \$ _____

SSI \$ _____

Public Assistance \$ _____

Other Income

Alimony \$ _____

Child Support \$ _____

Re-occurring Gifts \$ _____

Total Gross Annual Household Income \$ _____

ASSETS (added to income)

Calculate average of ending balance in checking accounts + most recent savings account balance

Add 0.06% of the above cash assets to income _____

Add 0.06% of ending balance of Retirement account to income _____

MONTHLY HOUSEHOLD BUDGET

MONTHLY NET INCOME (after taxes)

(all Household members)

Earned income \$ _____

Benefits (SS, SSI, SSDI) \$ _____

Other (ex: child support) \$ _____

TOTAL MONTHLY INCOME: \$ _____

MONTHLY HOUSING EXPENSE:

(rent + utilities + renters insurance) \$ _____

LIVING EXPENSES:

Utilities (gas, electric, water, phone, TV) \$ _____

FOOD \$ _____

Entertainment \$ _____

Car (note, gas, insurance) \$ _____

Medical (medicine/doctors) \$ _____

Childcare (and/or child support) \$ _____

Personal (ex. clothing, toiletries) \$ _____

DEBTS

Student Loans \$ _____

Personal Loans \$ _____

Medical bills \$ _____

Credit Card (min. balances) \$ _____

TOTAL MONTHLY HOUSING EXPENSES \$ _____

TOTAL MONTHLY INCOME	
TOTAL MONTHLY EXPENSES	
NET CASH FLOW (Income – Expenses)	

HQS Inspection Report



Southeast Housing Finance Corporation

Inspection Department
Single-Family Housing/Quick Reference Checklist

- ☐ All exterior doors that exit the structure must have dead bolt lock assemblies installed. The lock assemblies must be lever action on the interior side to allow safe egress.
- ☐ All windows that are intended to open must be operable and lockable, and must have window screens.
- ☐ All rooms used for sleeping must have smoke detectors, and the smoke detectors must be installed in compliance the Manufactures Requirements.
- ☐ At the Inspector's discretion, if the condition of the carpet floor is in poor condition and appears to be unsanitary. It will be required that the substandard carpet, carpet pad and carpet nail board strips be removed from the property.
- ☐ All electrical wall switches and receptacles must have the protective plate covers installed.
- ☐ A GFCI circuit must protect all electrical receptacles located within 6ft from a water source, such as sink, bathtub or shower; and GFCI circuit must protect any receptacles located outdoors.
- ☐ The electrical service must be active and all fixtures, receptacles and appliances including the HVAC heating and cooling system must be properly operable.
- ☐ The electrical meter service and panel must be at lease 100-amps and must comply with the National Electrical Code.
- ☐ A range/oven equipped with an anti-tipping devise must be installed in the kitchen.
- ☐ All toilet rooms must have an operable window, or it shall have an approved mechanical Ventilation System installed.
- ☐ The water supply to the structure must be active and all plumbing fixtures including the water heater must be properly operable.
- ☐ Anti-siphon Vacuum Breakers Hose Fittings (Back Flow Preventers) must be installed on all exterior water hose bibs.
- ☐ A water supply Shut-off Valve must be installed on the cold-water side of the Water Heater.
- ☐ The water supply line entering the home must be properly insulated.
- ☐ Water Heaters located in the garage that have been Manufactured prior to 2006 must be not less than 18-inches above the garage floor.
- ☐ The Temperature and Pressure Relief Valve on all Water Heaters must be plumbed to drain to the exterior of the building.
- ☐ All gas equipment and appliances must have an approved gas Shut-off Valve installed within 6-feet from the unit.
- ☐ Approved Gas Flex Line must be installed on all gas equipment and appliances.
- ☐ The gas service to the home must be active and all gas operated appliances including the range/oven, the water heater and the HVAC furnace unit must be properly operable.
- ☐ It's always recommend (but not required) that the A/C and Heating System be inspected by a Licensed HVAC Technician to help insure the life expectancy and economical operation of the unit.

- ☐ Is there evidence of Termite damage or infestation? If yes, the structure must be inspected by a Licensed Exterminator.
- ☐ The roof must have a life expectancy of at least 5 years or greater.
- ☐ The roof's gutter system (if present) must be free from obstructions and the gutter system must have the proper pitch and fall to adequately drain the storm water.
- ☐ There must not be any visible signs of cracking, chipping or peeling paint on the interior or exterior of buildings built prior to 1978.
- ☐ There must be at least two (2) rows of sod or any other form of rooted landscaping installed around the building's load bearing foundation.
- ☐ The property and all structures must be free from excessive amounts of rubbish and debris.
- ☐ Any building, fence or structure that is 50% or more dilapidated located on the property under contract must be demolished and all debris must be removed from the property.
- ☐ The numerical address must be posted on the structure using numbers not less than 3-inch in size; and the address must be visible from the street.
- ☐ All work performed *that requires* a City Permit must be inspected by the City's Building Department prior to the SETH inspection. All City Permits must be posted in plain view on the front of the structure.

"I drafted this checklist only to assist proposed Residents and Realtors with the most common HQS (Housing Quality Standards) findings in homes that I inspect. There maybe additional findings that are not mentioned in the above Quick Reference Checklist. Therefore, Compliance with this checklist does not insure all HQS Requirements have been met." If you have any questions please do not hesitate to contact me at (281) 484-4663 Ext. 102.

Thank you,

Paul Schutz TXCE #1720
HQS/Construction Inspector
Southeast Texas Housing Finance Corporation

Inspection Checklist Housing Choice Voucher Program

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(Exp. 9/30/2012)

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 that collection 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.

Name of Family		Tenant ID Number	Date of Request (mm/dd/yyyy)
Inspector		Neighborhood/Census Tract	Date of Inspection (mm/dd/yyyy)
Type of Inspection <input type="checkbox"/> Initial <input type="checkbox"/> Special <input type="checkbox"/> Reinspection		Date of Last Inspection (mm/dd/yyyy)	PHA
A. General Information Inspected Unit Year Constructed (yyyy) Full Address (Including Street, City, County, State, Zip)			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
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	Number of Bedrooms for Purposes of the FMR or Payment Standard	Number of Sleeping Rooms
<input type="checkbox"/> Fail		
<input type="checkbox"/> Inconclusive		

Inspection Checklist

Item No.	1. Living Room	Yes Pass	No Fail	In-Conc	Comment	Final Approval Date (mm/dd/yyyy)
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					

* 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 Pass	No Fail	In-Cons.	Comment	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?				<input type="checkbox"/> 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?				<input type="checkbox"/> 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?				<input type="checkbox"/> 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					

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 <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 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?				<input type="checkbox"/> Not Applicable	
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 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?				<input type="checkbox"/> Not Applicable	
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 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?				<input type="checkbox"/> Not Applicable	
4.10	Smoke Detectors					

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 <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					
5. All Secondary Rooms (Rooms not used for living)						
5.1	None Go to Part 6					
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?				<input type="checkbox"/> 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				<input type="checkbox"/> 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/list any positive features found in relation to the unit.

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
- ☐ Pantry or abundant shelving or cabinets
- ☐ Double oven/self cleaning oven, microwave
- ☐ Double sink
- ☐ High quality cabinets
- ☐ Abundant 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 or 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

Unit is accessible to a particular disability. ☐ Yes ☐ No
Disability _____

D. Questions to ask the Tenant (Optional)

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 ☐

E. Inspection Summary/Comments (Optional)

Provide a summary description of each item which resulted in a rating of "Fail" or "Pass with Comments."

Tenant ID Number	Inspector	Date of Inspection (mm/dd/yyyy)	Address of Inspected Unit
Type of Inspection	Initial <input type="checkbox"/>	Special <input type="checkbox"/>	Reinspection <input type="checkbox"/>
Item Number	Reason for "Fail" or "Pass with Comments" Rating		

Continued on additional page ☐ Yes ☐ No

Previous editions are obsolete

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME Investment Partnerships Program

Final Inspection			
Contract Administrator:		Contract Number:	
Type of HOME Activity: <input type="checkbox"/> OCC <input type="checkbox"/> HBA <input type="checkbox"/> HBAR <input type="checkbox"/> Other _____		Activity Number:	
Homeowner's Name:			
Address of Property Being Inspected:			
Inspector's Name:		Phone:	
Description	Existing conditions comply with applicable construction standards, specifications and codes.		
	PASS	FAIL	COMMENTS
Site	<input type="checkbox"/>	<input type="checkbox"/>	
Ancillary Improvements	<input type="checkbox"/>	<input type="checkbox"/>	
Extermination	<input type="checkbox"/>	<input type="checkbox"/>	
Space and Use	<input type="checkbox"/>	<input type="checkbox"/>	
Foundations	<input type="checkbox"/>	<input type="checkbox"/>	
Floors	<input type="checkbox"/>	<input type="checkbox"/>	
Walls	<input type="checkbox"/>	<input type="checkbox"/>	
Roofs	<input type="checkbox"/>	<input type="checkbox"/>	
Windows and Doors	<input type="checkbox"/>	<input type="checkbox"/>	
Weatherization	<input type="checkbox"/>	<input type="checkbox"/>	
Electrical	<input type="checkbox"/>	<input type="checkbox"/>	
Lighting	<input type="checkbox"/>	<input type="checkbox"/>	
Water Supply and Wastewater Systems	<input type="checkbox"/>	<input type="checkbox"/>	
Mechanical Systems	<input type="checkbox"/>	<input type="checkbox"/>	
Water Heaters	<input type="checkbox"/>	<input type="checkbox"/>	
Manufactured Housing	<input type="checkbox"/>	<input type="checkbox"/>	
Accessibility	<input type="checkbox"/>	<input type="checkbox"/>	
Architectural Barriers	<input type="checkbox"/>	<input type="checkbox"/>	
Lead Based Paint pre-1978? <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/>	<input type="checkbox"/>	
CERTIFICATION of DEMOLITION			
<i>Mark the appropriate selection. This Certification must be signed by the person who performed the Final Inspection.</i> <input type="checkbox"/> I hereby certify that the original structure for which reconstruction was authorized and which was previously located at the above-referenced address has been DEMOLISHED and all debris has been removed from this site. OR <input type="checkbox"/> I hereby certify that the rehabilitation activity located at the above-referenced address was not subject to demolition requirements.			
Signature of Individual Performing Inspection _____		Date _____	
INSPECTOR'S CERTIFICATION			
I understand and acknowledge that homes assisted with federal HOME funds must be thoroughly inspected to ensure the <i>entire</i> property complies with all applicable construction standards, specifications, and codes. I hereby certify the above-referenced property was inspected in accordance with requirements of the HOME program and the entire property meets or exceeds minimum construction standards, specifications, and codes. <i>Retainage will not be released by TDHCA until the entire property meets applicable construction requirements.</i>			
Signature of Individual Performing Inspection _____		Date _____	
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.			
Signature of Authorized Representative of Contract Administrator _____		Date _____	

APPENDIX M

EMERGENCY SOLUTIONS GRANT PROGRAM ESG

Emergency Solutions Grant Program

Introduction

Montgomery County Community Development is a federal entitlement participating jurisdiction, receiving direct allocations of CDBG, HOME and ESG funding from HUD. Service area encompasses all of geographic Montgomery County except the City of Conroe, which is its own participating jurisdiction. Conroe does not receive federal HOME or ESG dollars.

Annually, Montgomery County establishes an Annual Plan to further the goals and priorities set in its 5-Year Consolidated Plan. ESG funds are distributed by competitive application. The process begins in January and concludes with Court approval in July, for submission in August of an annual plan which will take effect in October.

Montgomery County has a very small competitive Continuum of Care allotment. This grant consists of funding for a transitional housing program operated by Montgomery County Community Assistance Center (a local nonprofit) and HMIS. The Montgomery County Homeless Coalition merged with the Houston Coalition for the Homeless. ESG funds are awarded directly to the County Community Development department.

Annually, Community Development seeks proposals from local shelter programs to determine subrecipients of the ESG funds. In the past, the ESG funds have been awarded to shelters, and additional CDBG Public Service funding and Capital Project funding has been awarded for other types of homelessness intervention. Decisions are made annually for one year grants.

Priority Needs and Criteria for Selection

In general, Montgomery County sets criteria for selection to receive ESG funding to 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.

In January 2018, the County broadcast a comprehensive survey, both in electronic and hard-copy format, to residents and service providers throughout Montgomery County, to determine public perceptions and priorities regarding several issues. Housing and homelessness were included in the survey.

Conclusions based on the comments made in the survey include:

1. An increasing support across the county for more shelters for the homeless, particularly for homeless families and homeless children.
2. Special needs persons are underserved and misunderstood across Montgomery County.
3. The lack of public transportation is a major barrier.

4. A sense that homeless persons should be assisted with acquiring jobs and independence, and not allowed to continue to depend on the "system."

The County then consulted with the leaders of the Homeless Coalition, Youth Services, Campus of Hope, Angel Reach, Eagle's Nest, Salvation Army, and the Housing Authority to discuss needs of the clientele the agencies are routinely seeing.

ESG Application Process

Montgomery County releases an ESG Application at the same time CDBG and HOME fund applications are released, in late January. Availability of applications are announced in the newspaper and as public notices, and via email to agencies who have applied in the past (whether funded or not) and agencies who requested to be added to the notification list throughout the year. Applicants had two full months to complete the applications. The Proposals from prospective ESG Subrecipients were reviewed by CDBG 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 consistent with HUD Guidelines and the 5-Year Consolidated Plan.

After the Advisory Committee reviews proposals submitted by the Applicants, public hearings are held to allow verbal and visual testimony and answer questions from the Advisory Committee. These public hearings are generally held in April. The Committee then meets with Community Development staff and vote to approve applications and set the level of funding for each. The awards are then reviewed by Montgomery County Commissioners. The final version is approved during an open court agenda in July. Montgomery County's Annual Plan is due August 16 of each year.

Consultation Process

The Montgomery County Homeless Coalition serves as the focal point of the Continuum of Care in Montgomery County. All shelters are members. As part of the consultation process required for ESG and for the 5-Year Consolidated Planning process, 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, and stated the following:

The Homeless Coalition stated "Our goal is to end homelessness by quickly getting each homeless person off the streets, into supportive housing, and into employment or mainstream government financial assistance." The Coalition identified needs assessment, housing, social services, employment, and case management as the tools to the solution.

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 all specialty shelters for youth, victims of domestic violence, unwed mothers, and girls with diagnosed emotional disorders. The one existing shelter in Montgomery County which serves single men, Salvation Army, charges a nominal rate for beds and is not a 24-hour shelter. Salvation Army, however, is the only shelter which accepts adult males, and also accepts women and families. The SA has transitioned to providing extended stays and daytime beds to clients who work evenings and nights, case managing for permanent housing, and recently completed an expanded shelter with more capacity for sheltering families. 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 or more of the shelters which operated under a model consistent with ESG and Coalition goals for long-term settlement. Coalition administration requests were to be addressed in the CDBG Public Services competition.

Funding Decisions

Due to the small amount of funds available in the ESG grant, Community Development generally chooses to limit funding to two programs. Although more than two applications may be submitted, only two are usually awarded contracts. To fund more than two would usually cause the amounts awarded to each program to have reduced efficiency and effectiveness. It is the standing policy of Community Development to fund a shelter which serves the adult population and a shelter which serves children and youth. Within those two subgroups, shelters serving the widest base of the population are preferred. However, with increased funding, it is becoming more effective to potentially fund more than two agencies going forward.

APPENDIX N

EMERGENCY SOLUTIONS GRANT PROGRAM ESG WRITTEN STANDARDS

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(d) 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 unless modified by a relevant disaster related waiver. In the case of special funding allocations, the rules of that allocation will apply.

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 homeless prevention and rapid re-housing participants – See 24 CFR 576.401(e) (i) – or as directed by special waiver or allocation. Regardless of which timeframe is used, re-evaluations, must at minimum, establish that:

- The program participant does not have an annual income that exceeds 30 percent of median family income for the area, or whatever standard is set by special allocation or waiver 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. This requirement is subject to waiver or adjustment by HUD for special allocations.
- 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 576.2.

As outlined in 24 CFR Part 576.101, essential services consist of:

- a) Engagement;
- b) Case management;
- c) Emergency health services – only when other appropriate health 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.

3. 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.

The policy and procedures of the subrecipients must be in writing, and must require documentation at intake of the evidence relied upon to establish and verify homeless status. The procedures must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third. Note: lack of third-party documentation must not prevent an individual or family from being immediately admitted to emergency shelter, receiving street outreach services, or being immediately admitted to shelter or receiving services.

Subrecipients are required to participate in an HMIS database. Records contained in the HMIS database are acceptable evidence of third-party documentation and intake worker observations if the HMIS retains an auditable history of all entries, including the person who entered the data, the date of entry, and the change made; and if the HMIS prevents overrides or changes of the dates on which entries are made.

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 these services are eligible under the regulations for the emergency shelter component found at 24 CFR Part 576.102.

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 HMIS) 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 unless

modified by waiver or special allocation rules) 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 Termination of participation, denial and grievance procedures.

Subrecipients must have written termination, denial, and grievance policies and/or procedures. The policies and/or procedures should be readily available to households either in written information or by posting the policy in a public place. It is important to effectively communicate these policies and/or procedures to households and ensure that they are fully understood.

Termination of Participation and Grievance

Causes for termination may include, but are not limited to, failure to abide by any agreed upon requirements and client fraud. A grievance procedure must include:

1. Written notice to the household containing a clear statement of the reasons for termination;
2. A review of the decision, in which the household is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision. This may include the household's right to question or peacefully and calmly confront staff involved; and
3. Prompt written notice of the final decision.

Denial and Grievance

Causes of denial of assistance include, but are not limited to, the household's ineligibility or failure to provide verifiable evidence of eligibility, etc. Established procedures should describe:

1. Circumstances in which a household may not qualify or would be denied;
2. Notification of denial; and
3. A household's right to review a decision.

6. **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 to improve current programs and funding.

7. **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) or whatever percentage is set by waiver or HUD special allocation rules, 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.

8. **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/>

This requirement is subject to waiver or adjustment by HUD for special allocations.

- 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 574.320.
- The rental unit must meet minimum habitability standards found at 24 CFR 576.403.
- 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.

9. 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 3-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.

10. 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), ESG 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.

11. Standards for Monitoring Subrecipient Activity.

Deadline for submittal of ESG invoices to MCCD is the second Wednesday of each month. Payment to the subrecipient will be made within 30 days of invoicing.

Onsite monitoring will be conducted in the March/April time frame. Subrecipients are required to allow MCCD or other County or HUD representatives full access to financial and client data, both locally and in HMIS.

ESG subrecipients are required to allow Montgomery County to work directly with the subrecipient's billing managers, to ensure timely and accurate reimbursement requests and drawdowns. This contact may include a beginning of year introduction, monthly reminders of due dates, and impromptu phone calls requesting documentation. All contact with subrecipients will be documented and date stamped and tracked internally throughout the approval and payment process.

APPENDIX O

**ENVIRONMENTAL REVIEW PROCEDURES
FOR HUD GRANTS**

Montgomery County Community Development

**ENVIRONMENTAL REVIEW
PROCEDURES
FOR HUD GRANTS**

Prepared May 2008

Montgomery County Community Development Environmental Review Procedures

INTRODUCTION

Montgomery County, as a responsible entity, has assumed the responsibility for environmental review, decision-making, and action that would otherwise apply to the U.S. Department of Housing and Urban Development (HUD) under National Environmental Policy Act of 1969 (NEPA) and other provisions of the law that further the purposes of NEPA as specified in Title 24 Part 58.5, by execution of a grant agreement with HUD. It is the County's goal to carry out these responsibilities to ensure compliance with all federal regulations as outlined in Title 24 Part 58.

The federal statutes set forth three basic goals for the four HUD Community Planning and Development programs, CDBG, HOME, ESG and HOPWA. These goals are closely related to the major commitments and priorities of HUD. First, the programs are to provide decent housing; second, provide a suitable living environment; and, third expand economic opportunities. The second of these goals clearly establishes concerns of environmental effect as an important consideration in all federal programs.

This manual is intended to give detailed, step-by-step guidance in carrying out the environmental review function in the administration of the grant programs. References, information sources, and suggestions on timelines are based on experience in Montgomery County, and may not be applicable elsewhere.

PURPOSE OF ENVIRONMENTAL REVIEW PROCESS

The purpose of these environmental procedures is to ensure that all projects funded with federal funds including program income are in compliance with all applicable federal laws and authorities identified in Title 24 Part 58: Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities. Also, these procedures are intended to insure a suitable living environment, or more specifically, to determine if any significant environmental impact may occur as a result of a proposed project; to release funds to support eligible projects that neither harm nor are harmed by the environment; to safeguard, enhance, and restore the environment; and to foster public participation in the development decision-making process.

REQUIREMENTS FOR ENVIRONMENTAL REVIEW

All federally funded projects (CDBG & HOME) must receive an environmental review using the criteria and statutory authorities specified in the HUD regulations 24 CFR Part 58 (**see Attachment A**) and for more complex projects, using procedures from the National Environmental Protection Act (NEPA).

FULL PROJECT REVIEW

Under HUD rules, even if federal funds support only a portion of the project, the full project and its impacts must be examined before any funds are obligated or expended. In addition, even if a governmental agency or private independent firm has already conducted some other form of environmental review, the Community Development Director must determine and document that the review meets the HUD requirements.

REVIEW BY THE COMMUNITY DEVELOPMENT DIVISION

The Community Development Director will conduct the environmental review or otherwise determines and documents that the environmental review requirements have been met. Even if a federally funded activity is an exempt activity under the HUD rules, the Community Development Director must determine that it is exempt, explain why it is exempt, and maintain a record stating that it is exempt. The Environmental Review Record is approved by the County Judge as the Responsible Entity Certifying Official of Montgomery County.

ENVIRONMENTAL REVIEW RECORD

The Community Development Director must maintain a written record of the environmental review undertaken under this part for each project. This document will be designated the “Environmental Review Record” (ERR), and shall be available for public review. The Community Development Director must use the current HUD recommended formats or develop equivalent formats.

The ERR shall contain all the governmental review documents, public notices and written determinations or environmental findings required by 24 CFR 58 as evidence of review, decision making and actions pertaining to a particular project of a recipient. As appropriate, the document shall:

- (1) Describe the project and activities the recipient has determined to be part of the project;
- (2) Evaluate the effects of the project or the activities of the human environment;
- (3) Document compliance with applicable status and authorities, in particular those cited in Section 58.5 and 58.6; and
- (4) Record the written determinations and other review findings required by this part (e.g., exempt and categorically excluded projects determinations, findings of no significant impact)

The ERR shall also contain as appropriate, verifiable source documents and relevant base data used or cited in EAs, EISs, or other project review documents. These documents may be incorporated by reference into the ERR provided that each source document is identified and available for inspections by interested parties. Proprietary material and special studies prepared for the recipient that are not otherwise generally available for public review shall not be incorporated by reference but shall be included in the ERR.

GLOSSARY OF TERMS USED IN ENVIRONMENTAL REVIEW

Activity:	An action that a grantee or recipient puts forth as part of an assisted project regardless of whether it's to be borne directly by the HUD assistance or imparted by another funding source.
Certifications:	<ol style="list-style-type: none">1. Environmental certification found on page 2 of the HUD form 7015.15 (also known as the Request for Release Of Funds (RROF)), forwarded to HUD along with the appropriate public notice, proof of publication, and a Form 7 and if appropriate, the FONSI certifying to HUD that the Montgomery County has satisfied its responsibilities under the National Environmental Policy Act of 1969 and other related laws and authorities.2. Certification of Exemption,3. Certification of Categorical Exclusion under 24 CFR 58.35(a),4. Certification of Categorical Exclusion under 24 CFR 58.35(b), or5. Certification of Environmental Assessment under 24.CFR 58.36
Certifying Officer:	The official authorized to execute the Request for Release of Funds and Certification with the legal capCounty to carry out the responsibilities of Section 58.13 of the federal regulations. The County Administrative Judge is the Certifying Officer for Montgomery County.
ERR:	Environmental Review Record, an instrument documenting compliance with the environmental review requirements of NEPA and/or 24 CFR 58.
EIS:	Environmental Impact Statement, (under NEPA) a detailed examination of the proposed project, the environment of the proposed project, and the relationship between the two required when an EA results in a Finding Of Significant Impact (FOSI) or when circumstances described in 24 CFR 58.37 (b) are met.
FOSI	Finding of Significant Impact, one of two results of an Environmental Assessment finding that the proposed project adversely affects or the project will be adversely affected by the environment. If the project is to proceed, an Environmental Impact Statement (EIS) will be required.
FONSI:	Finding of No Significant Impact, one of two results of an Environmental Assessment finding that the proposed project (including mitigating measures) will not adversely affect or be affected by the environment.
NEPA:	The National Environmental Policy Act of 1969.
NOI:	Notice of Intent, as in Notice of Intent to Request Release of Funds (NOI/RROF).

Project:	An activity, or group of integrally related activities, designed by the recipient to accomplish, in whole or in part, a specific objective.
Responsible Entity:	The unit of general local government whose jurisdiction contains the project sites.
ROF:	Release of Funds, Authorizing Use of Grant Funds. (Form HUD 7015.16)
RROF:	Request for Release of Funds (Form HUD 7015.15), a document forwarded to HUD (see certification above) requesting that funds for the proposed action be released so funds are made available.
Section 106 Review: (Historic Properties)	An integral part of environmental review under 24 CFR 58.5 and NEPA which determines whether a federally permitted, licensed, or funded project affects any historic resources and if so, how to minimize any negative effects. The National Historic Preservation Act of 1966 mandates this review.
Segmenting:	Conducting an environmental review so that only parts of the project come under review, a procedure strictly forbidden by NEPA regulations and 24 CFR 58.32.
Tiering:	Appropriate for projects for housing rehabilitation, reconstruction, or demolition where the environmental review is conducted in steps, commencing with a general review of the whole project, in which the Tiering Broader Plan includes stipulated requirements for certain compliance to occur at a later time (site-specific review) and certain documents to be attached to the ERR when it is practical to do so.

ABBREVIATIONS

CDBG:	Community Development Block Grant
EA:	Environmental Assessment
EPA:	Environmental Protection Agency
HUD:	Department of Housing and Urban Development
NEPA:	National Environmental Policy Act of 1969
HOME:	Home Investment Partnerships Program
THC:	Texas Historical Commission
FEMA:	Federal Emergency Management Agency

GENERAL STEPS: A SUMMARY OF ENVIRONMENTAL REVIEW PROCESS

The Community Development Director screens proposed projects prior to project commitment. The approval of the Action Plan by Commissioner's Court triggers the initiation of the environmental review process. The Action Plan describes the proposed projects for the coming program year. The Community Development Director, who is an employee of the County, will initially make an appraisal of the project and environmental conditions and make an environmental determination of the project after the Action Plan have been approved by Commissioner's Court. A description of key steps in implementing the environmental requirements is as follows:

1. Create an ERR file with appropriate project identification.
2. Project or Project Aggregation - determine the scope of activity or activities comprising the project: consider all other related activity or activities that may be grouped and consider their aggregate potential impact. Activities may be grouped geographically or functionally.
3. Visit project site, get representative photographs of project site and surrounding area, and review pertinent maps, e.g. flood map, wetland maps and topography maps. Ensure property that are being proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances
4. Project Manager must submit an acceptable project description for review by the Community Development Director. The project description must detail the exact use of funds. The project description will include representative photographs, key map, site address or legal description, and proposed site plan (if applicable or available). At a minimum, the project description shall include and address the following:
 - Project Name
 - Funding Sources
 - Project Cost
 - Project Location (address, site map)
 - Type of Project (park, affordable housing, public services, public improvement)
 - Project Scope
 - Size of Project (sq. ft., no. of units, etc.)
 - What services will be provided?
 - Who will be served by the project?
 - How many will be served by the project?
 - Will people be moved?
 - Type of Construction (new construction, rehabilitation, conversion)
 - Availability of other Environmental Reports

5. Determine the level of review required. Levels of environmental review are characterized by the degree to which the regulations require a review or compliance determination under the statutes cited in (58.34, 58.35, 58.36, 58.37) of the HUD regulations. In order from simplest to the most complex, they are:

Level 1 **Exempt Activities:** activities that meet the requirements of the regulations under 24 CFR 58.34 (a) do not have to comply with the other provisions of law or authorities cited in Section 58.5 except for the applicable requirement of Section 58.6 (see **Attachment B and H**). **Skip to number 15.**

Level 2 **Categorical Exclusion not subject to 58.5:** activities that, according to the regulations under 24 CFR 58.35(b), would not alter any conditions that would require a review or compliance determination under the Federal laws and authorities cited in §58.5. However, these activities are still subject to 58.6 (see **Attachment C and H**). **Skip to number 15.**

Level 3 **Categorical Exclusions subject to 58.5:** activities that, according to regulations under 24 CFR 58.35(a), do not require an EIS or an EA plus FONSI, but do require compliance with the federal statutes on the Statutory Checklist (see **Attachment D and E**). Complete steps 6, 7, and 8. **After completion of the Statutory Checklist** projects that do not trigger a compliance action may be reclassified as **exempt**, if so **skip to number 15. If not reclassified as exempt, continue with number 9**

Level 4 **Environmental Assessment:**
(Environmental Impact Statement Not Required): activities that are neither exempt nor categorically excluded, which fall below the threshold of activities requiring an EIS. An EA must be prepared in accordance with Subpart E of Part 58 (see **Attachment F**). Continue with **number 6.**

Level 5 **Environmental Impact Statement Required:** activities that required an Environmental Assessment and result in a FOSI or projects that exceed the threshold of activities requiring an EA.

6. Collect and evaluate data and information from other sources including

internet sources in order to complete the Statutory Checklist and/or Environmental Assessment. The following is a comprehensive list of sources:

- a. Texas Historical Commission
 - b. Montgomery County Historical Landmark Commission
 - c. FEMA Flood maps
 - d. National Wetlands Inventory Map and determination of effect.
 - e. Coastal Zone Management
 - f. National Parks System for Wild and Scenic Rivers
 - g. Farmland Protection
 - h. Determination of effect on listed threatened and endangered species and U.S. Fish and Wildlife Service consultation if necessary
 - i. Montgomery County - for water quality, solid waste, airport clear zones, zoning, traffic data, public safety, open space and recreation, and hazardous sites
 - j. Hazardous Sites from the Fire Department and site visit to ensure that all properties that are being proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances
 - k. Environmental Protection Agency for Clean Air data, Environmental Justice, Active Superfund Sites, Sole Source Aquifers
 - l. Montgomery County Independent School District
 - m. Brazos Transit for transportation issues.
7. Initiate contact with other local, state and federal agencies requesting jurisdictional confirmation of the County's determination.
 8. Make the environmental determination and complete all required forms, i.e. the Statutory Checklist and Environmental Assessment forms.
 9. As appropriate, publish and disseminate a Notice of Intent to Request Release of Funds (NOI/RROF) for Level 3 projects (**see Attachment L**). If any of the categorical exclusions listed in Section 58.35(a) do not require compliance with any other Federal laws and authorities cited in Section 58.5, the project converts to **Exempt**, per Section 58.34(a) (12) and a NOI/RROF notice is not required.
 10. For Level 4, publish a combined NOI/RROF and FONSI (**see Attachment G**).
 11. Submit official determination for the Certifying Officer's signature
 12. Prepare the RROF, HUD Form 7015.15 (**see Attachment I**) to be submitted to HUD along with a letter of submittal signed by Certifying Officer, copy of all pertinent publications, and copy of HUD Region 6 Form 7 (**see Attachment K**). This information will be faxed with

originals sent by mail at the end of the 15-day comment period to HUD.

13. Wait for receipt of signed Authorization to Use Federal Funds (HUD Form 7015.16) from HUD (**see Attachment J**).
14. Funds cannot be utilized until the County has received the Authorization to Use Federal Funds from HUD. This step will ensure that the County has procedures to insure that contracts are not executed prior to the completion of the environmental review process.
15. Record the process of carrying out the preceding steps by preparing the Environmental Review Record (ERR) for the project and filing it for public review or audit in the departmental central files. The purpose of the ERR is to document compliance with HUD regulations and with NEPA.
16. Contract executed by Commissioner's Court and notice to proceed issued.

ASSISTANCE FROM AGENCIES, DEPARTMENT OR CHDO

Montgomery County will request the assistance from nonprofits agencies, County departments and local CHDO to help facilitate the completion of the environmental review by requesting the following information:

Project: Name of proposed activity, project name, program name, etc. as listed in the Consolidated Plan.

Complete Project Description: The project description should include any proposed physical alteration of a site, whether demolition, exterior alteration (including painting, siding, replacement windows, etc.), rehabilitation, or new construction (including expansion, replacement, etc.). The description must have sufficient detail to allow the reviewer to visualize the proposed physical changes including square footage, linear footage, number of items to be installed, and number of people to be served. The description must include the whole project. NEPA does not allow segmenting of a project. Even if CDBG funds can be described as supporting predevelopment actions, which result in construction, the environmental review treats the entire project as a construction project. The information allows for an accurate determination of eligibility and a correct choice of NEPA requirements of the level of environmental review

and related laws and authorities identified in Section 58.5 that the environmental review must consider.

Location/Site Information :	Site location should include street address; site map and any additional information that will make it easy for the Community Development Director to locate the site.
Photographs:	Photographs of the site with reference points to help identify the site. If a structure is on the land, photographs of the front, side and rear of the structure should be submitted.
Funding Source and Amounts:	List all funding sources that will be utilized to complete the project. This should include all the grant numbers and programs. Include the amount of funding from each source, each year and each grant
Contact Information:	Name of Project Manager, Telephone number, address of Agency and e-mail address.

STEPS IN CONCLUDING THE ERR: EXEMPT ACTIVITIES

ERR must show that the eligible activity appears on the list of Exempt Activities in 24CFR 58.34(a) below:

- (a) Except for the applicable requirements of Sec. 58.6, Montgomery County does not have to comply with the requirements of 24 CFR 58 or undertake any environmental review, consultation or other action under NEPA and the other provisions of law or authorities cited in Sec. 58.5 for the activities exempt by this section or projects consisting solely of the following exempt activities:
 - (1) Environmental and other studies, resource identification and the development of plans and strategies;
 - (2) Information and financial services;
 - (3) Administrative and management activities;
 - (4) Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation and welfare or recreational needs;
 - (5) Inspections and testing of properties for hazards or defects;

- (6) Purchase of insurance;
- (7) Purchase of tools;
- (8) Engineering or design costs;
- (9) Technical assistance and training;
- (10) Assistance for temporary or permanent improvements that do not alter environmental conditions and is limited to protection, repair or restoration activities necessary only to control or arrest the effects from disasters, imminent threats or physical deterioration;
- (11) Payment of principal and interest on loans made or obligations guaranteed by HUD;
- (12) Any of the categorical exclusions listed in Sec. 58.35(a) provided there are no circumstances, which require compliance with any other Federal laws, and authorities cited in Sec. 58.5. Projects classified as Exempt under 24 CFR 58.34 (a) (12), a statutory checklist must be completed to document the requirements have been satisfied.

Montgomery County does not have to publish a NOI/RROF or submit to HUD a HUD Form 7015.15. No further approval from HUD will be needed by Community Development for the drawdown of funds to carry out exempt activities and projects.

Compliance Documentation	Complete Compliance Documentation Checklist (24 CFR 58.6). Flood Insurance is required for all structures that are included in the project in federally assisted programs.
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Sign and Forward:	Sign the Certification of Exemption for HUD Funded Projects, HUD Region 6 form (see Attachment B) and Compliance Document Checklist 24 CFR 58.6 when applicable. The original form is maintained in the project Environmental Review Record.
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Documents to Retain:	Retain the Exempt forms in the ERR and it is always made available for public review and audit.
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STEPS IN CONCLUDING THE ERR: CATEGORICAL EXCLUSION NOT SUBJECT TO §58.5

ERR must show that the eligible activity appears on the list of Categorical exclusions not subject to §58.5 in 24 CFR 58.35(b).

Categorical exclusion refers to a category of activities for which no environmental impact statement or environmental assessment and finding of no significant impact under NEPA is required, except in extraordinary circumstances (see Sec. 58.2(a)(3)) in which a normally excluded activity may have a significant impact. Compliance with the other applicable Federal environmental laws and authorities listed in Sec. 58.5 is required for

any categorical exclusion listed in this section.

(b) Categorical exclusions not subject to Sec. 58.5: Under this section, the Community Development Director will make a determination that the following categorically excluded activities will not alter any conditions requiring a review or compliance determination under the Federal laws and authorities cited in Section 58.5. When the following types of activities are undertaken, Community Development does not have to publish a NOI/RROF and does not have to submit a RROF to HUD except in the circumstances described in 24 CFR 58.35(c).

1. Tenant-based rental assistance;
2. Supportive services including, but not limited to, health care, housing services, permanent housing placement, day care, nutritional services, short-term payments for rent/mortgage/utility costs, and assistance in gaining access to local, State, Federal government benefits and services;
3. Operating costs including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment and other incidental costs;
4. Economic development activities, including but not limited to, equipment purchase, inventory financing, interest subsidy, operating expenses and similar costs not associated with construction or expansion of existing operations;
5. Activities to assist homeownership of existing “or new dwelling units not assisted with Federal funds” including closing costs and down payment assistance to home buyers, interest buy-downs and similar activities that result in the transfer of title to a property;
6. Affordable housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities not having a physical impact. Circumstance requiring NEPA review: if the Community Development Director determines that an activity or project identified in paragraph (a) or (b) of this section, because of extraordinary circumstances and conditions at or affecting the location of the activity or project, may have a significant environmental effect, it shall comply with all the requirements of this part.

Determination:	Determine that the proposed activity is a categorical exclusion not subject to §58.5 and therefore is not subject to further action under NEPA.
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Sign and Forward:	Sign the Certification of Categorical Exclusion (not subject to 58.5), HUD Region 6 form (see Attachment C) and Compliance Document Checklist 24 CFR 58.6 when applicable. The original form is maintained in the Environmental Review Record.
Compliance	Complete Compliance Documentation Checklist (24 CFR 58.6). Flood
Documentation	Insurance is required for all structures that are included in the project in federally assisted programs.
Documents to Retain:	Retain the signed Certification of Categorical Exclusion (not subject to 58.5) HUD Region 6 form and the Compliance Documentation Checklist 24 CFR 58.6 form in the ERR. These forms will make up the ERR which shall be kept in the Community Development office for public review and audit.

STEPS IN CONCLUDING THE ERR: CATEGORICAL EXCLUSION SUBJECT TO §58.5

ERR must show that the proposed project appears on the list of Categorical exclusions subject to §58.5, in 24 CFR 58.35(a) below.

Categorical exclusion refers to a category of activities for which no environmental impact statement or environmental assessment and finding of no significant impact under NEPA is required, except in extraordinary circumstances (see Sec. 58.2(a)(3)) in which a normally excluded activity may have a significant impact. Compliance with the other applicable Federal environmental laws and authorities listed in Sec. 58.5 is required for any categorical exclusion listed in this section.

(a) Categorical Exclusions Subject to Sec. 58.5: The following activities are categorically excluded under NEPA, but may be subject to review under authorities listed in Sec. 58.5:

- (1) Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20 percent (e.g., replacement of water or sewer lines, reconstruction of curbs and sidewalks, repaving of streets).
- (2) Special projects directed to the removal of material and architectural barriers that restrict the mobility and accessibility to elderly and handicapped persons.
- (3) Rehabilitation of buildings and improvements when the following conditions are met:
 - (i) In the case of a building for residential use (with one to four units), the

density is not increased beyond four units, the land use is not changed, and the footprint of the building is not increased in a floodplain or in a wetland;

- (ii) In the case of multifamily residential building:
 - (a) Unit density is not changed more than 20 percent;
 - (b) The project does not involve changes in land use from residential to non-residential; and
 - (c) The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.
 - (iii) In the case of non-residential structures, including commercial, industrial and public buildings:
 - (a) The facilities and improvements are in place and will not be changed in size or capacity by more than 20 percent; and
 - (b) The activity does not involve a change in land use, such as from non-residential to residential, commercial to industrial, or from one industrial use to another.
- (4)
- (i) An individual action on up to four dwelling units where there is a maximum of four units on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between; or
 - (ii) An individual action on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site.
 - (iii) Paragraphs (a) (4) (i) and (ii) of this section do not apply to rehabilitation of a building for residential use (with one to four units) (see paragraph (a) (3) (i) of this section).
- (5) Acquisition (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use.
- (6) Combinations of the above activities.

Determination: Determine that the proposed project is a categorical exclusion subject to §58.5. Complete the Certification of Categorical Exclusion (subject to 58.5), Statutory Checklist and the Compliance Documentation checklist 24 CFR 58.6 forms. Upon completion of the Statutory Checklist, provided that there are no

circumstances which require compliance with any other Federal laws and authorities, a determination of **exempt** will be made and documented in the ERR.

Statutory Checklist: If the proposed project appears on the list of categorical exclusions subject to §58.5, a Statutory Checklist must be prepared for the project (**see Attachment E**). Include the checklist as part of the ERR. This checklist records in tabular form how the proposed project complies with the applicable federal environmental regulations in §58.5.

After the completion of the Statutory Checklist, one of the following determinations is made:

DETERMINATION:

- () This project converts to Exempt, per Section 58.34(a)(12), because it does not require any mitigation for compliance with any listed statutes or authorities, nor requires any formal permit or license (Status “A” has been determined in the status column for all authorities); Funds may be drawn down for this (now) EXEMPT project; OR
- () This project cannot convert to Exempt because one or more statutes/authorities require consultation or mitigation. Complete consultation/mitigation requirements, publish NOI/RROF and obtain Authority to Use Grant Funds (HUD 7015.16) per Section 58.70 And 58.71 before drawing down or obligating funds; OR
- () The unusual circumstance of this project may result in a significant environmental impact. This project requires preparation of an Environmental Assessment (EA). Prepare the EA according to 24 CFR Part 58 Subpart E.

EFFECT OF STATUTORY CHECKLIST

Following the completion of the Statutory Checklist, the reviewer proceeds according to whether or not the proposal complies with all of the statutory requirements.

No Statutory Concerns Raised
By Project:

If the proposed project complies fully with all of the items on the Statutory Checklist and the Compliance Documentation Checklist, revise the status of the project from categorical exclusion subject to §58.5 to exempt activity pursuant to §58.34(a) (12).

Findings:

Status Reverts to Exempt Activity the determination is declared on the Statutory Checklist (**see**

Attachment E) and included on HUD Region 6 Form 7.

Sign and Forward:

The Statutory Checklist form will be signed, dated and placed in the ERR. A copy of this form is submitted to the Project Review Committee for inclusion in the project file.

Documents to Retain:

Retain the HUD Region 6 Certification of Categorical Exclusion (subject to 58.5) form, Statutory Checklist form and Compliance Documentation Checklist form in the ERR. These forms will make up the ERR which shall be kept in the Community Development office for public review and audit.

Compliance Documentation

Complete Compliance Documentation Checklist (24 CFR 58.6). Flood Insurance is required for all structures that are included in the project in federally assisted programs.

Some Statutory Concerns

If one or more items on the checklist trigger compliance,

Raised By Project:

the proposed activity cannot be approved until assurance is given that the necessary approvals, controls, or mitigating actions have taken place in order to bring the activity into compliance. Some activities cannot be made acceptable for federal funding due to the inability of being able to mitigate any items identified in 58.5 and 58.6.

If, however, there is confidence that the appropriate reviews, controls, and mitigations will reasonably take place, reaffirm that the proposed activity is a categorical exclusion subject to §58.5 and document the basis for believing that necessary ameliorative action will occur.

To ensure compliance with the statutes in §58.5, the ERR then needs to include conditions in the form of instructions to the Project Manager on steps necessary to complete compliance with the statutes. These conditions shall be incorporated in the contract and monitored for compliance by the project monitor. Project Manager shall provide the Community Development Director documentation

of compliance such as plans and specifications, field notes, photographs and inspection reports. All documentation shall be placed in the Environmental Review Record.

EXAMPLE General Form of
Statement of Conditions:

The Texas Historical Commission has determined that this project is eligible for inclusion in the National Registry. The rehabilitation of this property must include all work as outlined in the Texas Historical Commission letter. Make reference to the date of the letter; be able to verify the changes and the approval from the Texas Historical Commission. If additional work or changes are needed, the Texas Historical Commission must approve the work in writing. The letter shall be placed in the file to verification of all approved changes prior to the commencement of the rehabilitation. The rehabilitation work specification should include the work required by the Texas Historical Commission. Project Managers shall provide a copy of the revised plans and specifications, inspection report and a copy should be placed in the ERR.

Determination:

Status remains Categorical Exclusion subject to §58.5

Initiate NOI/RROF Procedure:

The purpose of the NOI/RROF procedure is to make possible a degree of public input on projects, which qualify for this level of review.

Maintain ERR for Public
will be
Inspection:

Documents up to this point result in an ERR. ERR available in the Community Development Central File for public review and audit by HUD.

Public Notice of NOI/RROF:

Prepare and publish a NOI/RROF (**see Attachment L**) in the official newspaper. A facsimile of this notice should be sent to all persons on the environmental review mailing list (see 24 CFR 58.43) for review and comments. The environmental review mailing list is a list of individuals and groups known to be interested in the activities, local news media, appropriate tribal, local, State and Federal agencies; and the Regional Offices of the Environmental Protection Agency.

Period of comment on
Environmental Impacts:

The ERR will be made available for review in the Community Development Division office from 8:00 a.m. to 5:00 p.m., Monday through Friday and the department will receive comments from all interested parties for seven days after the publication. The Community Development Director will address all comments in writing within 30 days and a copy shall be placed in the ERR. Community Development shall not submit the RROF to HUD until all comments have been addressed.

Prepare RROF and
Environmental Certification:

HUD form 7015.15 (**see Attachment I**) must be completed and signed by the Certifying Officer after the end of the comment period.

Deliver RROF and
Environmental Certification:

On the next day following the 7-day comment period, the following items will be faxed and mailed to the U. S. Department of Housing and Urban Development, Regional IV, Office of Community Planning and Development Division:

- Copy of Publication of NOI/RROF notice, including the published notice or affidavit of publication from the newspaper;
- RROF and Environmental Certification, HUD form 7015.15;
- HUD Region 6 Form 7; and
- Cover letter explaining the content of the submission and identifying the Community Development contact person.

Comment on Compliance
with Rules:

A copy of the required information will be faxed to HUD to begin the 15-day objection period. For fifteen days following delivery of HUD form 7015.15, the HUD office will receive any objections that meet the conditions and procedures set forth in subpart H of 24 CFR 58. Community Development will answer any comments received by HUD within 30 days. HUD can refuse the RROF and certification on any grounds set forth in Section 58.75.

Receive Notice of Removal	After conclusion of the 15-day period of public notice and
Of Grant Conditions from HUD:	for public review and objection, Montgomery County receives the Authority to Use Grant Funds, HUD form 7015.16 (see Attachment J) from HUD. The Montgomery County may then authorize the execution of the project contract or Letter of Agreement.
Sign and Forward:	HUD form 7015.16 is placed in the Environmental Review Record. A copy of the form is filed in the Community Development file and in the Environmental Review Record.
Documents to Retain:	<p>ERR, including Statutory Checklist NOI/RROF Notice Copy of Publication of NOI/RROF notice RROF and Environmental Certification, HUD form 7015.15 Authorization to Use Grant Funds, HUD form 7015.16 Copy of HUD Region 6 Form 7</p> <p>These forms will make up the ERR which shall be kept in the Community Development office for public review and audit by HUD.</p>

COMMON STATUTORY CONCERNS IDENTIFIED ON STATUTORY CHECKLIST

Section 106 Review:	<p>Any federal undertaking requires a Section 106 Review to determine if it is eligible for listing in the National Register of Historic Places by the Texas Historical Commission (THC). Community Development will submit to THC a letter of determination. If the THC concurs that the action will not affect a property eligible for listing in the National Register, then the Section 106 Review ends at this point. The letter from the THC is placed in the project ERR file as documentation.</p> <p>If, however, the structure on the site is determined to be listed or eligible for listing in the National Register, then a Determination of Effect must be filed. The Determination of Effect application is a</p>
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detailed explanation of all proposed construction activities-both interior and exterior in the case of renovation and includes plans, specifications, and photographs of the project. The Department of Interior's Standard for Rehabilitation provides guidelines for the Section 106 Review.

Effect of Ambient Noise on The Project:

A Noise Assessment is required when housing and other noise sensitive activities are proposed if the project is:

- (1) Within 1,000 feet of a major roadway with high ambient vehicular noise levels;
- (2) Within 3,000 feet of a railroad; or
- (3) Within 15 miles of a military airport or a commercial airport; or
- (4) A combination of any or all 3 noise sources.

Construction of noise-sensitive activities in these areas may require design modifications to mitigate the noise impacts. If the noise level is excessive, special approval from HUD may be required.

Site acceptability standards are listed below:

Acceptability Level	Day-night average sound level (in decibels)
Acceptable	Not exceeding 65 dB
Normally Unacceptable	Above 65 dB but not exceeding 75 dB
Unacceptable	Above 75 dB

Flood:

An 8-step assessment for project sites within the 100-year flood plain and for critical action activities falling within the 500-year floodplain as outlined in federal regulation part 55.20.

DECISION MAKING PROCESS EXECUTIVE ORDER 11988 AND 24 CFR 55.20

Step 1. Determine whether the proposed action is located in a 100-year floodplain.

Step 2. Publish notice of the proposal to consider an action

in the floodplain (15 days). See 24 CFR 55.20(b)

- | | |
|---------|---|
| Step 3. | Evaluate all practicable alternatives to locating the proposed action in a floodplain. |
| Step 4. | Identify the potential impacts associated with occupancy and modification of the floodplain. |
| Step 5. | Design or modify the action to minimize adverse impacts and preserve the beneficial values of the floodplain. |
| Step 6. | Reevaluate whether the proposed action is practicable. |
| Step 7. | Publish a notice of decision to identify why there is “no practicable alternative,” and the alternative and mitigation measures adopted (15 day comment). |
| Step 8. | Proceed with the project planning. |

STEPS IN CONCLUDING THE ERR: PROJECTS REQUIRING ENVIRONMENTAL ASSESSMENT

- | | |
|--|--|
| Determination to Conduct an Environmental Assessment: | State that the proposed project does not appear on either the list of exempt activities, 24 CFR 58.34(a), on page 9, nor the list of categorical exclusions not subject to §58.5, 24 CFR 58.35(b), on page 10, nor the list of categorical exclusions subject to §58.5, 24 CFR 58.35(a), on page 11. |
| Compliance Documentation | Complete Compliance Documentation Checklist (24 CFR 58.6). Flood Insurance is required for all structures that are included in the project in federally assisted programs. |
| Compliance with Statutory Provisions of §58.5 Required | State that all of the statutes in 24 CFR 58.5 (as appearing on the Statutory Checklist) must be in compliance. Initiate compliance procedures as appropriate. |
| Environmental Assessment | State that NEPA requires an Environmental |

Required:

Assessment for

proposed projects that are neither exempt nor categorically excluded, according to §58.36. Review the proposal to determine if any part of the project exceeds any NEPA threshold in §58.37(b). Use the environmental assessment form in Attachment F to evaluate the project in conjunction with the Statutory Checklist (also in Attachment F) and assess the probable environmental impact. Include evaluation of alternatives including 1. scope, 2. location, 3. design, 4. materials, and the no action alternative.

Finding FOSI:

If the proposed project does exceed any threshold in §58.37(b), make a finding of significant impact (FOSI) in the ERR. Initiate the FOSI/EIS procedure outlined in 24 CFR Subparts F and G.

Finding FONSI:

If the proposed project does not result in a finding of significant impact or exceed any threshold in §58.37(b), make a finding of no significant impact (FONSI) in the ERR. Initiate the FONSI and NOI/RROF procedures.

FONSI AND NOI/RROF PROCEDURES

The purpose of the FONSI and NOI/RROF procedures is to make possible a degree of public input on projects, which qualify for this level of review. A facsimile notice will be sent to all persons on the environmental review mailing list for review and comments.

Maintain ERR for Public

Steps up to this point have resulted in an ERR, based on

Inspection:

the available information about the project. Keep the ERR available in the Community Development Division office for public review and audit.

Public Notice of FONSI

Prepare and publish a combined notice of FONSI and

And NOI/RROF:

NOI/RROF in the official newspaper (see **Attachment G** for text of notice). A copy of this notice should be sent to all persons on the environmental review mailing list for review and comments. The environmental review mailing list is a list of individuals and groups known to be interested in the activities, local news media,

appropriate tribal, local, State and Federal agencies; and the Regional Offices of the Environmental Protection Agency.

Comment Period on

Environmental impacts:

The Environmental Review Record must be available for review to the public in the Community Development Division office from 8:00 a.m. to 5:00 p.m., Monday through Friday. Comments will be accepted for 15 days from the date of publication. The Community Development Director will address all comments in writing within 30 days and a copy shall be placed in the ERR. Community Development shall not submit the RROF to HUD until all comments have been addressed.

Prepare and Submit RROF and

Environmental Certification:

The Certifying Officer must sign HUD form 7015.15 after the 15-day comment period. On the day following the 15 day comment period, following will be faxed and originals mailed to the U. S. Department of Housing and Urban Development, Regional VI, Office of Community Planning and Development Division:

- Proof of publication of FONSI and NOI/RROF notice and a copy of the notice;
- RROF and Environmental Certification, HUD form 7015.15;
- HUD Region 6 Form 7
- Cover letter explaining the content of the submission and Community Development contact person.

Comment on

Compliance with Rules:

A copy will be forwarded by mail to HUD to begin the 15-day objection period. For fifteen days following delivery of HUD form 7015.15, the HUD office will receive any objections that meet the conditions and procedures set forth in subpart H of 24 CFR 58. Community Development will answer any objections received by HUD within 30 days. HUD can refuse the RROF and certification on any grounds set forth in Section 58.75.

Receive Notice of Removal of Grant Conditions from HUD:

After conclusion of the period of public notice and opportunity for public review and comment, Montgomery County receives HUD form 7015.16, Authorizing Use of Grant Funds. Montgomery County may then authorize the execution of the project contract or Letter of Agreement.

Sign and Forward:

The Authorization to Use Grant Funds, HUD form 7015.16 is placed in the Environmental Review Record.

Documents to Retain:

ERR, including Statutory and EA Checklist,
Compliance documentation checklist
FONSI and NOI/RROF notice
Copy of Publication of FONSI and NOI/RROF
HUD Region 6 Form 7
RROF and Environmental Certification, HUD form 7015.15
Authorization to Use Grant Funds, HUD form 7015.16
Maintain ERR in Community Development.
These forms will make up the ERR which will be kept in Community Development for public review and audit by HUD.

SPECIAL PROBLEMS ENVIRONMENTAL REVIEW

Avoiding Segmentation:

The environmental review process requires that projects be evaluated in a holistic manner. The project as a whole is evaluated as to its impact on the environment as a whole. The urge to separate a project into components and deal with each segment individually produces good results in financing, phasing, or managing a project, but it tends to obscure understanding of the environmental effects.

Therefore, if an agency (subrecipient) uses even a very small amount of federal funds to support a project, Community Development must carry out an environmental review on the whole project from start to finish.

When Sites are Not Yet Determined:

Use the technique known as **tiering** based on site information. This consists of producing a general, programmatic Environmental Review Record with the information that is available at the time (the

broader review). Require documentation that the project sponsors address any statutory concerns identified on the Statutory Checklist when possible (see §58.15 Tiering). The result is a case-by-case review of the environmental elements not previously cleared (site-specific review).

A multiple-site project can commence even though some of the sites are not yet selected. This technique has the potential side benefit of injecting environmental concerns into the site selection process, as it should be in any case.

When Project has

Multi-year Funding:

When planning and program development provide for

activities to be implemented over two or more years, Montgomery County's environmental review shall consider the relationship among all component activities of the multi-year project regardless of the source of funds and address and evaluate their cumulative environmental effects. The complete project description will be listed in the environmental review and included in the RROF.

In the case of multiple-year funding, Montgomery County's Environmental Review Section should revisit the project annually to confirm that a FONSI or other finding remains valid, or that an EA describes the project accurately. Document the site visit and finding in writing and include in the ERR for review and audit.

APPENDIX P

EQUALITY POLICY AND PROCEDURES CIVIL RIGHTS



Policy and Procedures

POLICY AND PROCEDURE

It is Montgomery County's policy that No person shall, on the grounds of race, color, sex, age, disability or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program, service or activity, including those programs, services or activities receiving State or Federal Financial assistance.

Montgomery County provides access to programs and employment opportunities to all persons regardless of human differences.

Agency officials, managers, supervisors and other employees shall be held accountable for discrimination, retaliation, civil rights violations, or related misconduct. In accordance with this policy and with the governing State and Federal regulations regarding discipline and adverse actions, the Civil Rights Coordinator in conjunction with the County Attorney's Office will determine if disciplinary or other corrective action is warranted.

Prohibited practices include:

1. The denial to any individual any services, opportunity, or other benefit for which a person is otherwise qualified;
2. Subjecting any individual to segregated or separate treatment in any manner related to that person's receipt of service;
4. Restriction of an individual in any way to the services, facilities or any other advantage, privilege or other benefit provided to others under the program.

SCOPE

This policy applies to all facilities, programs, activities, and services operated by Montgomery County.

DEFINITIONS

Compliance: The fulfillment of requirements of Title VI, other applicable laws, implementing regulations and instructions to the extent that no distinctions are made in the delivery of any service or benefit on the basis of race, color, or national origin.

Complaints: A written allegations of discrimination which indicates that any federally assisted program is operated in such a manner that it results in disparity of treatment to persons or groups of person because of race, color, or national origin.

Discrimination: To make any distinction between one person or groups of persons and others, either intentionally, by neglect, or by the effect of actions or lack of actions based on race, color, or national origin.

Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d-4: Federal law prohibiting discrimination based on race, color, or national origin. It covers all forms of federal aid except contracts of insurance and guaranty. It does not cover employment, except where employment practices result in discrimination against program beneficiaries or where the purpose of the federal assistance is to provide employment.

COMPLAINT PROCEDURES

Any person who believes he or she has been subjected to discrimination on the basis of race, color, national origin, sex, religion, age or disability may file a grievance under this procedure. It is unlawful for Montgomery County to retaliate against anyone who files a grievance or cooperates in the investigation or a grievance.

Grievances must be submitted to the Civil Rights Coordinator within 30 days of the date the person filing the grievance becomes aware of the alleged discriminatory action.

A complaint must be in writing, containing the name and address of the person filing it ("the grievant"). The complaint must state the problem or action alleged to be discriminatory and the remedy or relief sought.

The Civil Rights Coordinator (or his designee) will conduct an investigation of the complaint to determine its validity. This investigation may be informal, but it must be thorough, affording all interested persons an opportunity to submit evidence relevant to the complaint. The Civil Rights Coordinator will maintain the files and records of Montgomery County relating to such grievances.

The Civil Rights Coordinator will issue a written decision on the grievance no later than 30 days after its filing.

The grievant may appeal the decision of the Civil Rights Coordinator by filing an appeal in writing to the Commissioner's Court within 15 days of receiving the Civil Rights Coordinator's decision.

The Commissioner's Court will issue a written decision in response to the appeal no later than 30 days after its filing.

If the grievance is based on a disability, Montgomery County will make appropriate arrangements to assure that persons with disabilities can participate in or make use of this grievance process on the same basis as persons who do not have disabilities. Such arrangements may include, but not be limited to, the provisions of interpreters for the deaf, providing taped cassettes for the blind, or assuring a barrier-free location for the proceedings. The civil rights coordinator will be responsible for providing such arrangements.

Posting of the Title VI rights, obligations and where to get the complaint forms will be posted in the County's buildings, on the County's website and will be published yearly in the newspaper of general circulation in the county.

Any grievant who wishes to file a State or Federal complaint having to do with discrimination involving State or Federal funded services, activities or program should contact the Civil Rights Coordinator to ascertain the appropriate State or Federal funding source to which such complaints may be filed.

All issues or questions regarding the Civil Rights Act of 1964 should be directed to the Civil Rights Coordinator, Dodi Shaw at 936-539-7886.



MONTGOMERY COUNTY TITLE VI DISCRIMINATION COMPLAIN FORM

I, _____, hereby file an official complaint
against _____ and state the following:
Name of Person or Agency

1. Complaint's Name _____

Address _____

City, State, and Zip Code _____

Telephone Number (home) _____ (work) _____

2. Person discriminated against (is someone other than the complainant)

Name _____

Address _____

City, State and Zip Code _____

Telephone Number (home) _____ (work) _____

3. What is the name and location of the agency that you believe discriminated against you?

Name _____

Address _____

City, State, and Zip Code _____

Telephone Number _____

APPENDIX Q

FAIR HOUSING CHOICES ANALYSIS OF IMPEDIMENTS

**MONTGOMERY COUNTY
COMMUNITY DEVELOPMENT**

**ANALYSIS OF IMPEDIMENTS
TO FAIR HOUSING CHOICES**

Reviewed by: Dr. Joanne Ducharme, MCCD

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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

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)

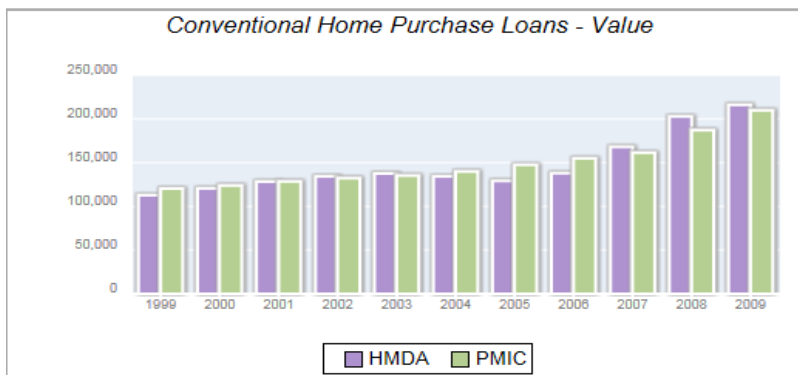
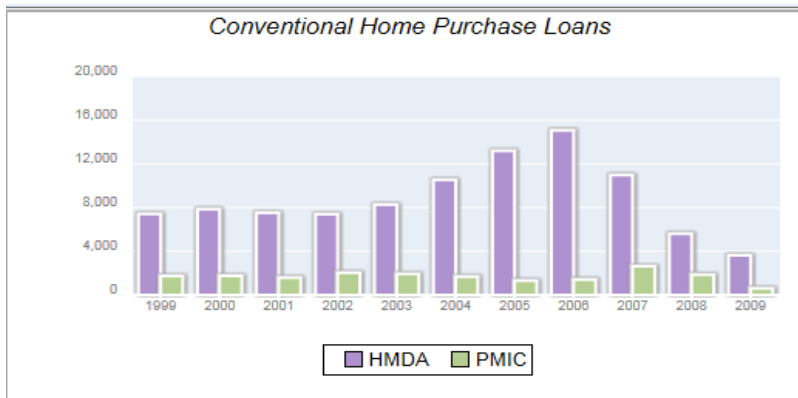
	Conroe	Montgomery County	Houston	Texas
2010	56,207	455,746	2,099,451	25,145,561
2000	36,811	293,768	1,953,631	20,851,820
1990	27,610	180,394	1,630,672	16,986,510

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%



Private Mortgage Insurance Companies Aggregated Statistics For Year 2009 (Based on 46 full tracts)								
	A) Conventional Home Purchase Loans		B) Refinancings		C) Non-occupant Loans on < 5 Family Dwellings (A & B)		D) Loans On Manufactured Home Dwelling (A & B)	
	Number	Average Value	Number	Average Value	Number	Average Value	Number	Average Value
LOANS ORIGINATED	599	\$209,760	291	\$202,935	8	\$141,625	1	\$51,000
APPLICATIONS APPROVED, NOT ACCEPTED	210	\$233,324	129	\$215,287	16	\$141,313	2	\$133,500
APPLICATIONS DENIED	88	\$212,443	70	\$220,129	5	\$245,400	0	\$0
APPLICATIONS WITHDRAWN	52	\$229,635	44	\$217,727	1	\$167,000	0	\$0
FILES CLOSED FOR INCOMPLETENESS	26	\$234,500	13	\$225,769	6	\$106,667	0	\$0

Choose year: **2009** 2008 2007 2006 2005 2004 2003 2002
2001 2000 1999

HOUSEHOLDS BY SIZE, MONTGOMERY COUNTY, 2007-2011 Census.gov

0 Bedrooms	1,489	.09%
1 Bedroom	14,091	8.1%
2 Bedrooms	28,785	16.6%
3 Bedrooms	76,863	44.3%
4 Bedrooms	42,438	24.5%
5 Bedrooms (or more)	9,781	5.6%

Total # of Housing Units 173,447

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.

0%-30% 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 with income	Percent with one or more housing problem by ethnicity
Jurisdiction as a whole	9600	1680	735	11280	85.11%
White	6230	1245	500	7475	83.34%
Black / African American	945	195	40	1140	82.89%
Asian	190	14	10	204	93.14%
American Indian, Alaska Native	110	4	0	114	96.49%
Pacific Islander	0	0	0	0	0.00%
Hispanic	1920	200	185	2120	90.57%

30%-50% 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	9450	4590	0	14040	67.31%
White	6155	3295	0	9450	65.13%
Black / African American	655	245	0	900	72.78%
Asian	80	15	0	95	84.21%
American Indian, Alaska Native	45	25	0	70	64.29%
Pacific Islander	0	0	0	0	0.00%
Hispanic	2390	915	0	3305	72.31%

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: hud.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	+2%
\$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		

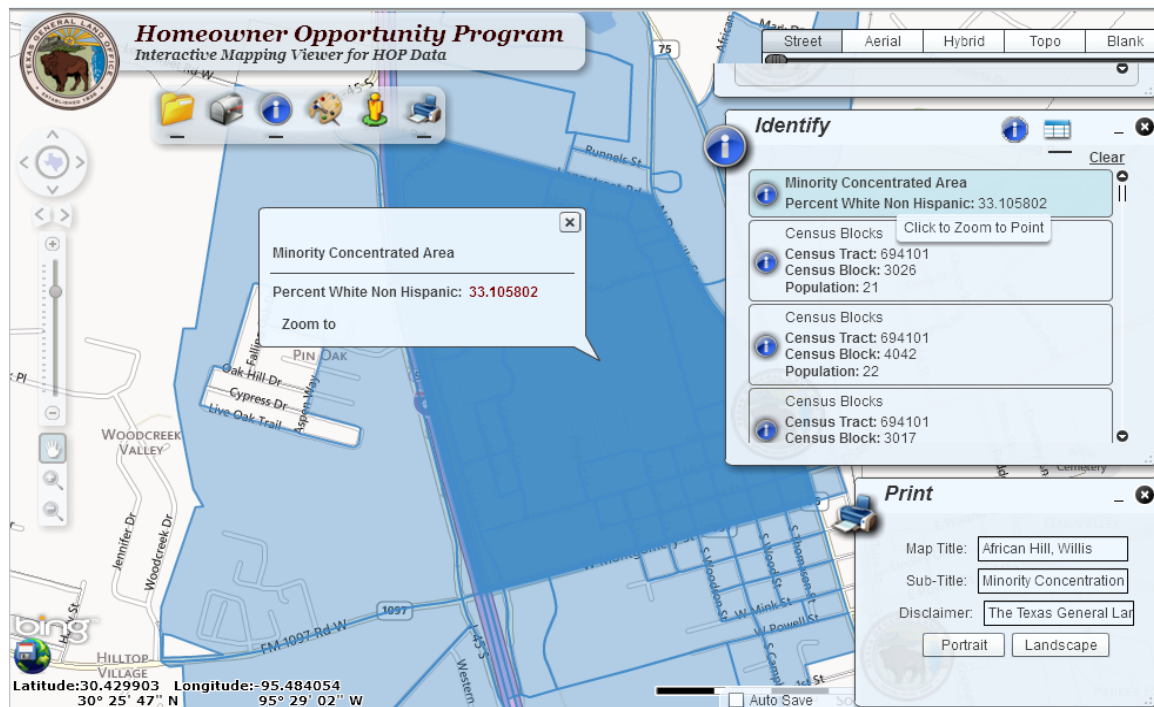
Low Income and Racial/Ethnic Concentrations

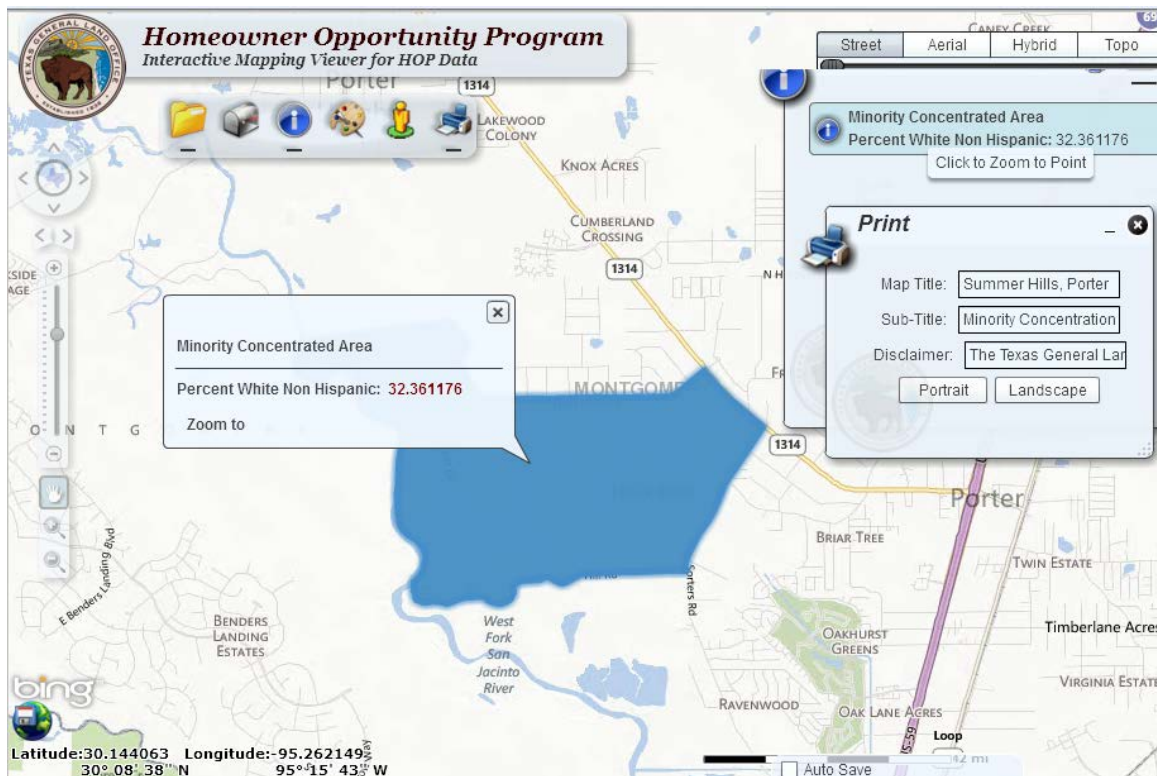
In this section, the areas within Montgomery County with high concentrations of racial/ethnic minorities and the areas with high concentrations of low-income families are described. Additionally, the terms “area

of racial/ethnic minority concentration” and “area of low-moderate concentration” are defined. The location of the areas of high concentration of racial/ethnic minorities are identified by the CDBG Disaster Recovery Mapping System located on the GLO website. The areas of concentration of low-moderate income persons are also identified by the CDBG Disaster Recovery Mapping System. Most areas of concentration of racial and ethnic minorities are in City of Conroe which is outside of our jurisdiction.

Concentration of Racial and Ethnic Population

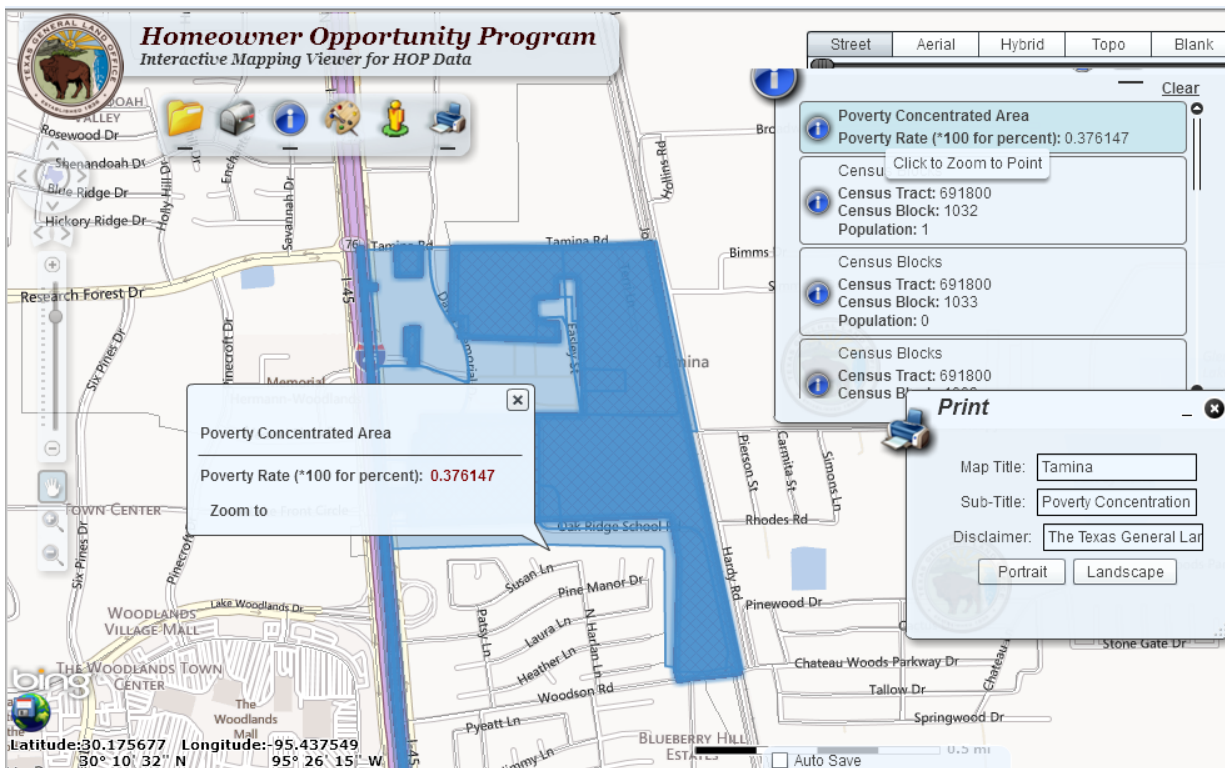
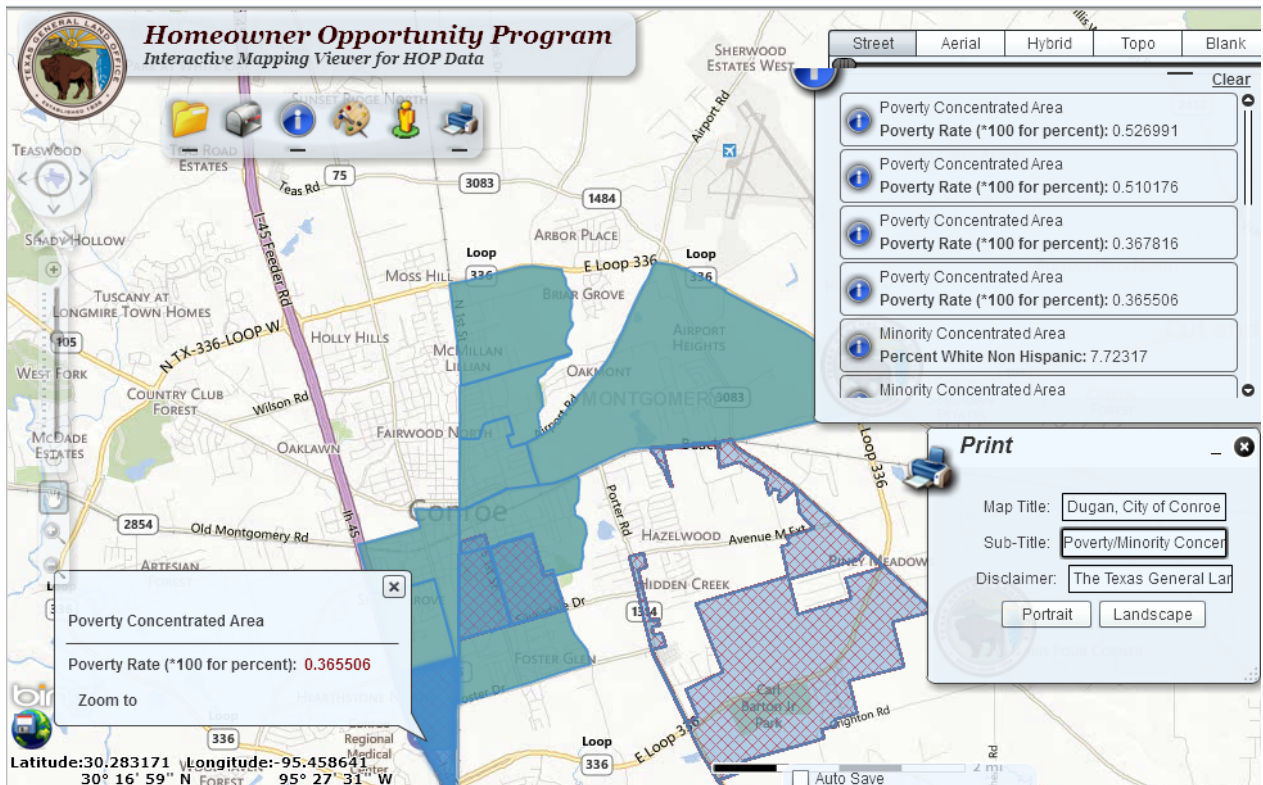
The General Land Office of the state of Texas defines an area of concentration of racial and ethnic population as a census tract with 65% or higher minority population. There are three census tracts with this definition. These areas are described as Summer Hills, a neighborhood in the Porter area which is predominately Hispanic, African Hill in Willis which is predominately African American and Dugan, located in the City of Conroe which is predominately African American. Additionally, pockets of minority populations that were not identified by the latest census are found in various cluster neighborhoods in multiple census tracts including Dobbin and Tamina.





Concentration of Low-Income Population

HUD defines an area of concentration of low-moderate income persons as a Census tract block group with 51% or higher population in this income group. Four areas have been identified as areas of poverty concentration however other areas in Montgomery County that were not accurately reflected include Dobbin and several far east county neighborhoods including Patton Village. Because Montgomery County is so rural it is difficult to show concentrations of low income populations. Several pockets of concentrated populations exist around the county that may have been overlooked during the last census count. Without an accurate count of these clusters the targeted areas in desperate need of assistance are being overlooked. These areas may include neighborhoods such as Deerwood and extremely rural areas in far east and far northwest county.



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 HA 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
Willis, TX
Total capacity:

32 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 imposed nor enforce building codes. Montgomery County requires new construction building permits and enforces state environmentals.

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	<u>\$0.0729</u>
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

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	\$35.39

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.

H. 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 are 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 9b, 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.

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 (+36%) 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 \$500,000. 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 CHDO'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 R

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 Action 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.



Craig Doyal, County Judge



Date

APPENDIX S

FUNDING REVIEW POLICY FOR MCTX

MONTGOMERY COUNTY FUNDING REVIEW POLICIES

Funding of Public Service Activities From the Community Development Block Grant (CDBG)

BACKGROUND:

Montgomery County receives a yearly allocation through the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) program. The county is using funds to improve housing, provide transitional homes for the homeless, building multi-purpose centers, road improvements, public services, and economic opportunities in the low income areas.

Activities funded through the Community Development Block 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 outside 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.

POLICY STATEMENT:

It is a policy of Montgomery County that:

1. No more than 15% of the Community Development Block Grant will be allocated annually for public service activities as defined by HUD regulations. Public Service Activities are defined as those activities "including but not limited to services concerned with counseling for youth, services for youth, housing for youth and elderly, medical coverage, crime prevention, drug abuse, health, education, energy conservation, child care, and recreational needs." Funds will be directed to activities that will result in providing a new quantifiable increase in service that will primarily benefit low and moderate-income residents. CDBG funds will not be used to maintain a level of service which existed prior to CDBG funds being awarded.

2. CDBG 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.

3. Funding for activities which will benefit Montgomery County residents and others outside the jurisdiction of the County will generally not be made available unless financial commitment to support the activity is provided by all other jurisdictions to benefit.

4. 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 for each dollar requested, based on the priorities set forth in the active Consolidated Plan.

5. Beginning with FY 2022 funding decisions, no agency may receive Public Service funds for more than five consecutive years. Agencies must take a “funding break” of at least two fiscal years before resuming application for funding for existing or new programs. Agencies who have been funded for ten or more consecutive years at the time of FY 2022 application are not eligible for funding.

6. As a condition of receiving funds the sub-recipient will enter into a standard contract required by the County.

7. In addition to financial assistance, the County is committed to helping sub-recipients:

A. Implement reporting procedure in compliance with HUD requirements.

B. Identify sources of financial support other than CDBG, and provides other technical assistance as appropriate.

8. 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.

9. 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 one year from the date of contract termination. If a sub-recipient is terminated for fraudulent use of funds, the sub-recipient is barred from applying for funds for a minimum of three years, plus the rest of the term of all officers and senior staff who were a part of the agency at the time the fraud was committed.

10. Any agency allocated CDBG Public Service funds, whose project is not underway by March 1st of the following year, will be ineligible to participate in the current year's funding process.

ACTION:

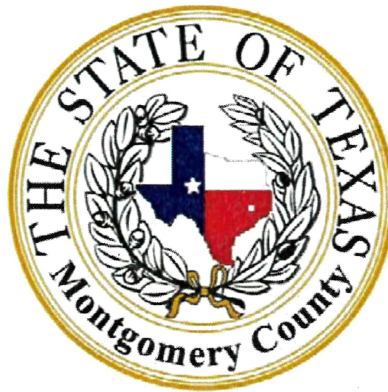
Montgomery County will follow all HUD requirements in giving notice annually of anticipated availability and proposed use of CDBG funds. Agency funding applications will be evaluated by the Community Development staff for eligibility and appropriateness of funding through CDBG. The Montgomery County Community Development Advisory Committee will convene to review applications, conduct public hearings to hear oral presentations from applicants, and make funding decisions. Said committee will make recommendations to Commissioners Court regarding levels of CDBG funding consistent with the above policy.

Updated 6-2019

APPENDIX T

GRANT POLICY & PROCEDURE FOR MCTX

MONTGOMERY COUNTY, TEXAS



Grants Administration and Accounting Policy and Procedures

Prepared By:

Montgomery County

Auditor & Purchasing Agent

Approved in Commissioners Court 6/12/2018

Montgomery County, Texas

Grants Administration and Accounting

Policy and Procedures

I. DEFINITION AND PURPOSE

Occasions arise in which problems cannot be solved with existing County resources, but might be suitable areas for seeking grant funds. It is the practice of the County to be proactive in identifying problems in which the pursuit of supplemental funding sources would be optimal. Projects funded in whole or in part with grant money are not independent of County operations and should not be created simply in reaction to a notice of availability of funds, whatever the source.

For the purpose of this policy, a grant is an award of financial assistance in the form of money, property, or other financial assistance paid or furnished by the federal government, the state government, other local government, a nonprofit foundation or organization, a local business, or an individual that the County has the ability to accept or reject.

The intent of this policy is to assist in providing accurate, current and complete disclosure of the program and financial results of each federal and state grant within the existing budgetary accounting and reporting framework. The grant procedures outlined in this document are meant to provide the following:

1. Ensure that federal and state awards are properly authorized by Commissioners' Court.
2. Ensure proper oversight of all funds appropriated to the County.
3. Minimize the County's risk of non-compliance in accordance with the provisions of the federal Office of Management and Budget Circulars and other federal and state laws.
4. Ensure proper administration and accounting of all grants.

II. SCOPE

This grant administration and accounting policy and procedures is applicable to all federal and state grants awarded to any Montgomery County program, department, Elected Official, or division preparing and submitting grant applications to agencies outside the County government for funds, materials, or equipment to be received and administered by the County or by an agency for which the County acts as fiscal agent.

The goals and objectives of the County departments should be established early in the planning process and should not change based on changes in availability of different funding sources sought and received. The existence of grant funds does not exempt County personnel or project staff from conducting project activities in accordance with County policies and procedures which govern fiscal

Responsibility for programmatic administration of the grants within County government rests with the department that applied for the grant. The department seeking grant funds will maintain the programmatic records for all grants.

The initiating County department is responsible for:

1. Coordinating with the Grants Administrator and Grants Reporting Accountant throughout the planning, application, and implementation process.
2. Filing applications on time and in accordance with the funding agency's instructions.
3. Providing a copy of the final grant application and if awarded, fully executed agreement to The Grants Administrator and Grants Reporting Accountant.
4. Managing grant funds in accordance with the same policies and procedures as those required of County funds and in accordance with the funding agency's guidelines/requirements.
5. Managing the project in accordance with regulations and deadlines of the funding agency.
6. Providing copies of progress reports and evaluations to the Grants Administrator and Grants Reporting Accountant.
7. Processing invoices in a timely manner for accurate billing and financial accounting.

ACCOUNTING, MONITORING AND FINANCIAL REPORTING AUTHORITY

The County Auditor is the financial officer for Montgomery County. The County Auditor's Office, specifically the Grants Reporting Accountant, is responsible for maintaining the financial records and ensuring compliance with federal and state accounting and reporting requirements for all grants awarded to Montgomery County. The County Auditor's Office will maintain the financial records for all grants in order to facilitate management reporting and overall monitoring. The County Auditor's office will review expenditures for obvious non-compliance and will act as liaison with independent auditors. All County programs, departments, Elected Officials, and divisions shall submit any/all grant information required by the Auditor's office to carry out its oversight responsibilities.

The Grants Reporting Accountant within the County Auditor's Office is responsible for:

1. Preparation and/or review of financial reports for accuracy and compliance with grant accounting policies and procedures.
2. Review/preparation of accounting spreadsheets, journal entries, and reports for grant managers and administrators as needed.
3. Preparation of indirect cost schedules and journal entry, if applicable.
4. Consulting with grant managers and administrators on budget issues and provide support, including assistance with budget preparation.
5. Communicating with federal, state and other granting agencies when necessary to coordinate grant financial process.
6. Preparation of the annual A-133 audit report and assist with year-end audit requirements.
7. Reviewing grant applications for grant terms and County funding requirements prior to submission for Commissioners' approval.
8. Maintaining accurate and up-to-date records on current and pending grants.
9. Monitoring the grant process and assisting with the process of deobligating grants when complete.
10. Reviewing and processing contracts relative to grants.

5. The Grants Administrator is to present any grant award documents or amendments/changes to Commissioners' Court for acceptance.
6. The Grants Administrator and the Grants Reporting Accountant will make every effort to offer a speedy review of submitted requests. Involvement of the Grants Administrator and the Grants Reporting Accountant during the development of the proposal or application is encouraged. In order to make for the smoothest possible review process, Department Heads and Elected Officials are requested to provide all documentation for review at least two (2) weeks prior to the targeted Commissioners' Court date.

VI. GRANT AWARD PROCEDURES

The grant award section includes the initial accounting procedures required when a grant is awarded. Most of these functions will be processed by the Grants Reporting Accountant and includes communicating with the funding agencies, establishing revenue and expenditure departments/accounts and providing the County departments with information relating to the grant.

The following procedures should be followed:

1. The grant is awarded by the funding source or by acceptance of a grant offer by the Commissioners' Court.
2. The original copy of the fully executed grant award will be maintained by the County Clerk with a certified copy going to the County Auditor and Initiating Department for their own respective files.
3. Upon receipt of the fully executed grant agreement, the Grants Reporting Accountant shall do the following:
 - A. Prepare a grant file which will contain data relating to the various requirements of the grant, summarizes the general and specific requirements needed for compliance, sets up a time table for completion of grant requirements and report filing, and includes all expenditure reports and revenue data. This file will be made available for inspection by the internal, independent, and any federal and state auditors.
 - B. Ensure that the grant is established in the financial system. This will include the creation of a grant department, account numbers for revenues and expenditures and the processing of a budget amendment.
 - C. Update the Grants Listing with information concerning the grant. The Grants Listing will be used to generate the Schedule of Expenditures of Federal and State Awards.
 - D. Communicate with the Grants Administrator and Grant Manager the information regarding the grant set-up.

VII. GRANT REPORTING PROCEDURES

The grant reporting section relates to the functions dealing with the monthly, quarterly and yearly accounting and reporting requirements. The County Auditor's Office is responsible for providing financial reports to grantors. The County Auditor's Office will work in conjunction with the recipient departments in order to facilitate the orderly, timely and accurate accounting, reporting and auditing of federal and state transactions.

than County policies; in which case the County policy prevails. A copy of the Purchasing Manual can be found on the County's Intranet page.

The Fixed Asset Auditor also needs to be notified so that assets acquired using federal funds can be properly identified. Equipment items purchased with Federal Funds that cost \$5,000 or more are to be tagged when purchased so that proper disposal procedures can be followed when items are sold or sent to surplus. Federal equipment should be inventoried at least every 2 years in order to be properly safeguarded against theft, damage, or loss. Also, land purchases made with grant funds often have land use restrictions which will be discussed with the County Attorney's office to ensure restriction compliance. When assets acquired with Federal Funds are no longer used in the grant program (i.e., grant has expired, asset was lost, stolen, or damaged, or asset became idle) the grantor must be notified. The Federal Government may be due a portion of the proceeds for equipment items with a book value of \$5,000 or more at the time of disposition. If the federal agency is compensated for the current fair market value of the item, the equipment may be retained by the agency.

X. LIQUIDATION PERIOD AND GRANT CLOSE-OUT PROCEDURES

The Grant Manager will ensure that all funds are expended or encumbered prior to the end of the grant period in order for funds to be used adequately and not lost in future award periods.

The Grant Manager with assistance from the Grants Administrator is responsible for submitting a project completion packet to Commissioners' Court in the event that remaining funds need to be de-obligated. In addition, they are responsible for submitting the final federal or state programmatic report to the granting agency. The Grants Reporting Accountant is responsible for submitting the final federal or state financial report to the granting agency.

XI. RECORDS RETENTION

The County must retain all grant related documents for a specified amount of time. If grant retention policies conflict with County regulations, the federal and state regulations will prevail unless they are less restrictive than County policies; wherein the County policy prevails. For specific requirements and further guidance on records retention please visit the following website: <https://www.tsl.texas.gov/slr/recordspubs/gr.html>.

XII. FRAUD POLICY

Montgomery County is committed to the safeguarding of public assets and preventing fraud, waste and abuse. The intent of this grant administration and accounting policy and procedures is to set guidelines in order to ensure proper oversight of federal and state funds and to maintain a fair, ethical, and honest business environment for all County employees, customers, suppliers and anyone else with whom the County has a relationship. Fraud not only involves loss of revenue, but decreased morale and productivity.

XII. EFFECTIVE DATE

This policy is effective as of June 12, 2018.



Montgomery County, Texas
Office of the County Auditor
501 North Thompson, Suite 205, Conroe, Texas 77301
P. O. Box 539, Conroe, Texas 77305

#41
Phyllis L. Martin
County Auditor

Peggie Rushing
1st Assistant County Auditor

25E
FEB 13 2012

February 13, 2012

TO: Commissioners Court

FROM: Phyllis L. Martin *PLM*
County Auditor

RE: Grant Policy - Minimum Grant Amounts

Please consider and approve the attached policy with regards to minimum dollar thresholds for grant applications. This policy, if approved, will be distributed to all elected officials and department heads.

/s
Attachment

Tele: (936) 539-7820...Fax (936) 788-8390...Email: Phyllis.Martin@mctx.org

EXHIBIT “B”

Montgomery County Texas

Policy and Procedures

For Presenting Supplemental Income

Grant Applications and Awards

Policy Statement:

Montgomery County Texas Commissioners' Court requires that all grant income not typically budgeted in the County's budget process including any applications and any awards presented to Commissioners' Court be accompanied by a standardized cover sheet (Grant Request Form) so that all aspects of the application/award can be reviewed including any required 1) match and its source, 2) obligation to continue the program past the term of the award, 3) other costs to operate the program, or 4) other special circumstance that would impact the County budget or operations.

Definitions:

A grant is an award of financial assistance in the form of money, property, or other financial assistance paid or furnished by the federal or state government, a nonprofit foundation or organization, a local business or an individual.

A donation is a gift, solicited or unsolicited, to a cause in the form of financial assistance in the form of money, property or other financial assistance for programs or activities previously approved by Commissioners' Court. Donations usually do not require a proposal or application. (A donation does not require a Grant Request Form.)

Procedures:

1. Minimum Grant Application amount must be \$2500 or more.
2. Department Heads and Elected Officials are to complete and sign a grant cover sheet and submit it with any proposal or application documents to the Grants Administrator for review at least two (2) weeks prior to Commissioners' Court. The Grants Administrator will review the documents and, if approved, forward them to the County Auditor for review of the proposal budget and match source. The Auditor will determine if the documents may need to be reviewed by the Contract Review Committee or the County Attorney. The County Auditor will return the cover sheet and documents, if approved, to the Department Head or Elected Official for submission to the Commissioners' Court.

APPENDIX U

HMIS POLICY AND PROCEDURES

MONTGOMERY COUNTY
HOMELESS MANAGEMENT INFORMATION SYSTEM

POLICIES AND PROCEDURES

HMIS PROJECT STAFF
731 WEST DAVIS
CONROE, TEXAS 77301

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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 on obtaining 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 staffed 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 Administer 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.

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 level 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
- Central Server Administration
 - Server Security, Configuration, and Availability
 - Setup And Maintenance of Hardware
 - Installation And Maintenance of Software
 - Configuration of Network and Security Layers
 - Anti-Virus Protection for Server Configuration
 - System Backup and Disaster Recovery
- Keeper of Signed Memorandums of Understanding
- User Administration
 - Add And Remove Partner Agency Technical Administrators
 - 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
- Help desk

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 HMIS Data and Technical Standards. Annually, Partner Agencies will conduct a thorough review of internal policies and procedures regarding HMIS.

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 HMIS SOC 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 MC CoC will be called upon to resolve the conflict. If that results in a ruling of Termination:
 1. The Partner Agency will be notified in writing of the intention to terminate their participation in HMIS.

- ii. The HMIS System Administrator will revoke access of the Partner Agency staff to MCHMIS.
- iii. 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 MC CoC 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

- 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.
- The Partner Agency Technical Administrator must only request user access to MCHMIS for those staff members that require access to perform their job duties.
- All users must have their own unique user ID and should never use or a low 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 SCC 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 co-sign 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 MCHMIS 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. MCHC will maintain a list of valid Static IP addresses and allow those Static IP addresses to have access to HMIS within two business days.
4. Community Technology Alliance will establish the method of 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 Continuums of Care data.
- ☐ Data quality shall be a concern of highest importance and all members of Continuums 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 baseline 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, whether required by HUD or not.
- ☐ The Continuums 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. MCHC 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 MCHMIS authorization).
4. Partner Agency Technical Administrator will be responsible for reviewing the weekly Exception Reports and notifying 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, MCHC will provide measures and metrics to verify data quality.
7. Upon request by The Collaborative's Executive Committee, MCHC 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 allocated in the HUD Data Standards.

5.4 Release and Disclosure of Client Data

▪ *Policies*

1. Client-specific data from MCHMIS 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 unless withholding 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 clients 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.

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. MCHC 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 MCHC if either:

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 MCHC has permission to send the information.

Copies of any and all reports issued by MCHC to requesting jurisdictions will be copied to the appropriate agency administrator upon request.

On a quarterly basis, MCHC will report program level and data quality performance to the Executive Committee of The CoC.

5.5 Server Security

- **Policies**

- ☐ The HMIS System Administrator will strive to secure and keep secure the servers, both physically and electronically.

- **Procedures**

1. All procedures for maximizing Server Security are the responsibility of the MCHMIS System Administrator.

5.6 Server Availability

- **Policies**

- ☐ The HMIS System Administrator will strive to maintain continuous availability by design and by practice.
- ☐ Necessary and planned downtime will be scheduled when it will have least impact, for the shortest possible amount of time, and will only come after timely communication to all participants.
- ☐ 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 MCHMIS System Administrator.
3. The HMIS 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 (that is, don't let someone read over your shoulder; lock your screen).
- ☐ All workstations to be used with HMIS 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 1Mb.
- ☐ 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 shall 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 MCHMIS.

- **Procedures**

Start-up Training

MCHC 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 set-up
2. Assigning agency within HMIS SOC hierarchy.
3. End user training
4. Running package reports
5. Creating customized reports

Follow-up Training

MCHC 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

MCHC 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.

▪ *Procedures*

1. See "Project Participation" and "User Authorization" 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 vendor.
- ☐ 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 encounters 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 SCC 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.hmisscc.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 picklists.

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 SCC 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 line item excision 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

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.

APPENDIX V

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 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 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.

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. 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 MCCD 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.

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.

VI. RANKING CRITERIA

A copy of the score sheet used to rank projects is attached at Exhibit 4.

APPENDIX W

HOME UNDERWRITING AND SUBSIDY LAYERING POLICY AND PROCEDURE

HOME Underwriting and Subsidy Layering Policy and Procedure

INTRODUCTION

Montgomery County Community Development funds various projects using HOME grant dollars. These projects are subject, to varying degrees, to the regulations set forth in 24 CFR Part 92 for underwriting and subsidy layering. The guidelines set forth in this document are intended to evaluate and ensure that the level of HOME investment does not exceed the amount that is necessary to provide quality affordable housing that is financially viable.

Applicability

These guidelines apply to all rental projects developed in whole or in part with HOME assistance. For projects which are only partially funded by HOME, these guidelines apply to the entire project, not just the HOME funded units. This policy is also applicable to the development and selling of units to homebuyers, whether scattered site or within a designated subdivision or area. For the Direct Homebuyer Assistance Program (Down Payment Assistance), if the assistance is not part of a HOME-funded development activity, these guidelines apply except that a market analysis and an evaluation of developer capacity are not required. If the HOME-funded direct homebuyer assistance is part of a HOME-funded development activity, all underwriting guidelines apply. At this time, Montgomery County does not use HOME funds for rehabilitation, however if in the future such a program is initiated, no market analysis or evaluation of developer capacity will be required.

Certification

Montgomery County certifies that it will not invest any more HOME funds in combination with other governmental assistance than is necessary to provide quality affordable housing that is financially viable for the period of affordability appropriate to the size and nature of the funded project. Documents will be required of applicants to ensure the necessity of grant funds.

REGULATORY REQUIREMENTS

Investment Limits (92.250) The amount Montgomery County will invest per unit will be based on the limits published by the Houston Field Office, and will never exceed the limit set for elevator-type projects in the Houston-Baytown-Sugarland Metropolitan Statistical Area.

92.250© The minimum per-unit subsidy is \$1,000 per unit.

Contract Requirements (92.2) No HOME funds will be committed prior to execution of a contract with the county, which will include details of the project and capture financing terms. All financing must be secured prior to execution of a contract. Funds will not be committed unless construction is able to begin within 12 months of the date the contract is executed by all parties.

Deadlines (92.2) Any acquisition of standard housing must occur **within six months** of the contract or

purchase agreement date, and construction (or demolition) must start **within 12 months** of the agreement date.

92.205€(2) Any project funded with HOME dollars must be completed **within four years** of the date of the contract.

92.252 If a HOME-assisted rental unit remains **unoccupied for 18 months** after the project completion date, the subrecipient must repay Montgomery County the HOME funds. In projects with both HOME-assisted and other units, only the HOME-assisted units are subject to this clause.

92.254(a)(3) For homebuyer development projects, including those developed by Community Housing Development Organizations (CHDO'S), there must be a ratified sales contract **within nine months** of the construction completed, which is set as the date of the Certificate of Occupancy. If the new or rehabilitated unit is not sold within nine months, it must be converted to a HOME-assisted rental unit, subject to all regulations pertaining to HOME rentals, including but not limited to, maximum rent and income eligibility limits, utility allowances, an affordability period, and property standards during the affordability period.

UNDERWRITING

MCCD conducts underwriting to ensure 1) the project is needed, 2) the project is feasible, 3) the project costs are reasonable, 4) the return to the owner or developer is reasonable and allowable, and 5) MCCD only grants enough funds sufficient to provide quality affordable housing that is financially viable through the affordability period.

1. Need

Applicants must provide a market study which is appropriate in scope and sophistication to the size of the project. At a minimum, all market studies must address pricing and absorption. The market study must address ALL units to be built, not just the HOME-assisted units. The market study must include an estimated timeline to lease-up or sale. At a minimum, the following sources should be used in the data collection for the market study:

- a) Current Census data (not more than two years old)
- b) Relevant waiting lists (not more than six months old)
- c) Real estate data for the geographical area expected to be the primary pool for clients. (not more than three months old)
- d) Other projects currently under development in the pool area.

The market study must address the following parameters:

- a) Evaluate general demographic, economic, and housing conditions in the community
- b) Delineate the market area by identifying the geographic area which will be the primary pool from which tenants or buyers are likely to come
- c) Quantify the pool of eligible tenants or buyers in terms of household size, age, income, whether they are owners or renters, and any other relevant factors to the project.

2. Feasibility

Applicants must demonstrate that the project is financially and technically feasible to build. At a minimum, the market study should:

- a) Analyze the competition from other similar developments, both existing and planned.
- b) Assess the market to determine if there is sufficient demand to sell within nine months or rent within eighteen months.
- c) Evaluate the effective demand and capture rate (percentage of the project's number of units divided by the applicant pool). The capture rate is the percentage of likely eligible and interested households living nearby who will need to rent units in the project in order to fully occupy it. The lower this rate, the more likely a project is to succeed.
- d) Estimate the absorption period, with a timeline of how many units will be successfully leased or sold each month and how long it will take to achieve initial occupancy/sale of the HOME-assisted units (not the entire project).

MCCD will accept an independent market study prepared for another funder as long as it draws from the required sources and addresses the required parameters.

Assessments for projects serving special needs clients can be completed using primary data from service providers whose existing client base will form the primary pool of potential tenants, however the data must be quantified, not anecdotal.

3. Cost Reasonableness

Applicants must provide data which will prove that the costs for the project are reasonable, and that the profit or return to the owner or developer is reasonable. Applicants must provide the following documentation:

a.) Sources

A spreadsheet showing sources and uses of funds (Development Budget).

1. All cash on hand being made available to the project.
2. All **confirmed** sources of funds must be identified, with firm commitment letters showing all terms and conditions for all mortgages, grants, interim or bridge loans and investment tax credits.
3. All **anticipated** sources of funds must be clearly marked, with letters of commitment/intent on letterhead from the anticipated sources showing when the funds will be available and terms for receiving the funds. **MCCD will not commit funds to a project which is not fully funded beyond the amount MCCD is able to contribute.**
4. If the applicant is a partnership or limited liability corporation, a copy of the partnership agreement or operating agreement, which indicates the cash contributions of each partner or member.

5. If equity is committed by the developer or owner, evidence of available equity funds.

b.) Uses

The spreadsheet should also show where the funds will be spent. It is acceptable to put the request to MCCD in this “big picture” document, and it is acceptable for the request to MCCD to exceed the total needed should all anticipated funds be realized. However, HOME funds are always secondary to other sources. If all other funds are realized, MCCD will only consider contributing the amount necessary to balance the budget.

1. Uses should include all expenses to the project, such as acquisition costs, site preparation and infrastructure costs, rehab/construction costs, financing costs, professional fees, developer fees and other soft costs associated with the entire project, not just a pro-rata for the HOME-assisted units.
2. Budgets should be in sufficient itemized detail to demonstrate cost reasonableness both on a line item and aggregate basis.
3. Documentation for budgets should include: Acquisition documentation such as purchase agreement, option, or closing statement and appraisal. Construction documentation should include cost estimate, contract or preliminary bids. Key professional costs should be documented by contracts, quotes or other agreements, and the basis for estimating other soft costs and working capital items, including capitalized reserves. Various reserves which are capitalized at closing should be documented with governing agreements to prove the reserves cannot be withdrawn later as fees or distributions. The value of land and the value of property after rehab or new construction should be documented with a third party appraisal. If LIHTC are used, documentation on the syndication costs from the organization/individual who will syndicate and sell the offering must be included.

c.) Pro Forma

An operating pro-forma budget must be included. For home buyer development projects, the pro-forma will take the form of a sales and revenue plan, and may be included in the market study. This sales plan should indicate the developer’s anticipated cash flow and timing of when and how units will be sold.

1. The project income and expense statement must project for the entire HOME period of affordability.
2. Documentation of the financial assumptions of the project must be included. Resources for property upkeep and planned capital repairs must be demonstrated.
3. Income projections must take into consideration HOME limits on rent, utility allowances (which are defined as the most current utility allowance used by the Montgomery County Housing Authority), reasonable vacancy and collection loss,

and conservative estimates of non-residential sources of incomes. Vacancy projections should be documented with local market condition data.

4. All operating costs must be in sufficient detail to compare line items against properties of similar physical type and size. The budget should include general management expenses, maintenance and operating costs, any project paid utilities, taxes, insurance premiums, and adequate deposits to replacement reserves, **summarized in “per unit per year” amounts.**
5. Documentation should show how management and other fees to the owner are reasonable in the local market.
6. All interest relationships between contractors and vendors must be disclosed.
7. Cash flow projections should be demonstrated both as a “debt coverage ratio” and as a percentage of operating costs and debt service.
8. Projects with 26 total units or more must complete a capital needs assessment.

4. Reasonable Developer Profits

Profit, or return on the owner’s or developer’s investment, will not exceed MCCD’s established standards. This percentage includes operating cash flow from rentals, sales proceeds (if not considered as program income, which is a determination MCCD makes at the beginning of each project), and any other professional fees being paid to the developer or related entities. The following forms of financial benefit are allowable under HOME projects:

a.) Developer Fees. MCCD’s limit on developer fees is scaled based on the cost of the project and an assessment of the amount of risk associated with it. In general, projects less than \$3 million dollars in total construction hard and soft costs will have a developer fee cap of 20%. Fees continue to be capped at one % point lower for each increase of \$5 million in price. Fees beyond the caps will require a written justification of increased risk in the file.

b.) Sales revenues. Generally, sales revenue is classified as program income and allowed to roll back into the project 100%, however this is on a case-by-case basis.

c.) **Net** cash flow. Net cash flow exists after debt service and complete funding of operating reserves.

d.) Tax benefits.

e.) Equity appreciation.

f.) Identity of interest roles. Developers may also own construction companies, and if this company is used for the HOME project, the construction firm may earn reasonable profit and overhead as a component of the development budget. If the rental property owner also operates a property management company contracted to service the property, the developer may earn fees from those activities. IOI contracts must be clearly disclosed, priced at arms-length rates, and subject to cancellation if the IOI contractor does not provide acceptable service.

5. Subsidy Layering

When making a determination of how much HOME funding will be put into a project to make the project feasible, MCCD will consider the following:

- a.) Debt capacity. Financing terms must be reasonable and comparable to those available from other lenders.
- b.) Equity contributions. If it appears that the project is returning a higher level of return than is warranted given project risk and market conditions, then MCCD can require additional equity investment (or reduce the level of HOME assistance).
- c.) MCCD reserves the right to increase the number of HOME assisted units in the project, or lowering the target income levels and rents to be charged, in order to bring the rate of return into line with standards.

SELF-SUSTAINABILITY OF PROJECTS

MCCD requires applicants to demonstrate how the proposed project can accommodate moderate “income shocks” such as an increase in vacancy or reduction in rents in order to remain competitive in a falling market.

MCCD requires applicants to demonstrate how the proposed project can accommodate moderate “expense shocks” such as sharp increases in utility rates or maintenance and upkeep costs.

Projects must be able to self-fund major repairs and replacements from a combination of Reserve funds, cash flow and future refinancing.

DOCUMENTATION OF COMPLIANCE

MCCD requires that the elements for making a decision regarding underwriting and subsidy layering be provided by the applicant. Dates due for Applications, including all relevant data attachments, are publicly announced and included on application forms. The application must be substantially complete by deadline. Any missing requirements must be explained, and provided at the earliest possible moment.

A file is opened for each proposed project to contain 1) application and supporting documentation, 2) the checklist and analysis, with justification, for determining funding,

The file for un-funded projects is closed at the end of the application cycle, and stored for five years before destruction. Files are not publicly available, as the financial data is confidential.

The file for HOME-funded projects is kept open until five years following the close of the affordability period. This file includes a copy of awards, contracts, construction documentation, and evidence of compliance with federal cross-cutting regulations, when required.

HOME UNDERWRITING AND SUBSIDY LAYERING CHECKLIST

This form must be completed and attached to all applicant files, both funded and unfunded.

Y/N/NA	Task	Cert
	NEED	
	Data used as evidence of current market demand is	
	Current Census data (not more than two years old)	
	Relevant waiting lists (not more than six months old)	
	Real estate data for the geographical area expected to be the primary pool for clients. (not more than three months old)	
	Current Census data (not more than two years old)	
	There is sufficient current market demand for the project.	
	Projections show the units can be sold within nine months.	
	Projections show the units can be rented within eighteen months.	
	A capital needs assessment estimates the property's useful life.	
	FINANCIAL CAPACITY	
	Adequate financial management systems and practices are in place, including separation of duties appropriate to size of project and organization.	
	Audits were reviewed to determine developer's net worth and liquidity.	
	Financial statements were reviewed to determine portfolio risk and the presence of pre-development funding.	
	The developer or rental project owner has financial capacity to absorb the risks associated with the construction of the project.	
	The developer or rental project owner has financial capacity to absorb the risks associated with the operation of the project.	
	Firm written financial commitments are adequate and reliable.	
	EXPERIENCE	
	The developer or rental project owner has adequate experience with similar projects.	
	Resumes indicate entity staff and project team have relevant experience and expertise.	
	Payroll documents show project team member are paid staff, not volunteers.	
	For rental projects, resumes indicate the developer/owner has a team with:	
	Property management skills	
	Asset management skills	
	Service provision skills	
	Special financing skills	
	Identity of interest relationships with contracted property management, repair contractors and others is disclosed.	
	CONSTRUCTION COSTS	
	Sources of funds are reliable and adequate for the project.	
	Sources of funds are timely in their availability to cover all phases of development.	
	Proposed uses of funds are appropriate.	
	For homebuyer development projects, there is a sales and revenue plan.	
	Project costs are reasonable, and contain explanations of the basis of the	

	calculations. Costs are comparable to other projects in the area.	
	Proposal includes acquisition documentation, such as purchase agreement, option or closing statement and appraisal or other documentation of value.	
	Proposal includes a construction cost estimate, construction contract or preliminary bids.	
	Proposal includes contracts, quotes or agreements substantiating key professional costs and the basis for estimating other soft costs and working capital items, including capitalized reserves	
	Proposal includes a third-party appraisal including estimated value of the property after rehab or the structure is built.	
	If LIHTC, documentation is in the proposal of the syndication costs from the entity who will syndicate and sell the offering to ensure the project can support the fees necessary to syndicate/fund the project.	
	The costs proposed to be paid with HOME funds are eligible under the HOME rule.	
	OPERATING PRO FORMA	
	Project can operate under the rent and income caps, unit mix rules, lease-up/sale requirements, property standards and other regulations established for HOME	
	Proposal includes agreements governing the various reserves which are capitalized at closing to verify that the reserves cannot be withdrawn later as fees or distributions.	
	Developer projected interim financing interest and carrying costs out to expected project absorption.	
	Cash flow projections are realistic for the economic conditions.	
	Vacancy projections reflect local market conditions and account for both physical vacancy and collections loss.	
	The rate of projected rental income growth is appropriate to local market.	
	Net operating income projections are sufficient to cover debt service obligations and mandatory replacement reserves, and still generate reasonable cash flow.	
	Cash flow is demonstrated as both a "debt coverage ratio" and as a percentage of operating costs and debt service.	
	PROFITS AND RETURNS TO DEVELOPER	
	Developer fees are appropriate to the size, risk, time and effort to build and sell or lease property, per fee cap policy of MCCD.	
	Other forms of revenue such as Internal Rate of Return and sales has been considered in determining whether total profits are appropriate.	
	GENERAL	
	The cost of a market assessment has been charged as an administrative cost <u>or</u>	
	The cost of a market assessment has been charged as a project delivery cost.	
	IDIS has been updated at construction start to reflect final bid prices.	
	IDIS has been updated at final draw to verify final sources and uses.	
	MCCD has certified in IDIS that it has followed its underwriting and subsidy layering standards.	

APPENDIX X

HOUSING REHABILITATION GUIDELINES & APPLICATION FOR MCCD



Date:

Dear Applicant:

Attached is a copy of the *Rehabilitation Program Guidelines and Policies* and an *Application* for the Montgomery County Housing Rehabilitation Program. Please read *the Guidelines and Policies* to see if you are eligible for this program. If you feel you are eligible, complete the application, and submit LEGIBLE COPIES of all your documents, and an original application, which are needed for Montgomery County Housing Rehabilitation Program to determine your eligibility.

Montgomery County Housing Rehabilitation Program is not responsible for obtaining your documents. Please submit an original application, but do not submit originals of any of your documents. Montgomery County Housing Rehabilitation Program is not responsible for any documents being returned to you, whether you qualify or not. Please submit your completed application along with ALL documentation to our office. If you have any questions, please call Autumn Edge or Robert Langford at (936) 538-8060.

Submit your original application with copies of all documents to:

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

Montgomery County Housing Rehabilitation Program has the right to ask you to provide certified copies of documents when necessary and may request additional documents. **Qualifying for rehabilitation of your home does not guarantee you will receive assistance.** Qualifying means that you are eligible to be considered. Final funding decisions are at the discretion of the department head. If you do not receive assistance this funding year, you can request to remain on the list for the following funding year. After this time, you will be required to reapply for assistance. Some documents will be required to be updated with a second request.

Sincerely,



Joanne Ducharme, Ph.D.

Director of 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 a written explanation and identify the document or information in question.

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HOUSING REHABILITATION PROGRAM GUIDELINES & POLICIES

A. ELIGIBILITY OF PROPERTY.

- 1. Location.** The Housing Rehabilitation 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.** Applicants must have legal access to the property they are asking assistance for. If there is no public right of passage available, the project will not be eligible for rehabilitation.
 - b.** Homeowner must agree to allow Montgomery County Community Development staff access to all areas of the dwelling. No areas of the home should be blocked off, locked down or inaccessible by staff members. During the initial home inspection staff members will need to evaluate the condition and safety of ALL areas of the home. This includes bedrooms, bathrooms, living rooms, kitchen and dining areas, garages, and any other living quarters or storage areas located directly inside the home. If for any reason a homeowner does not allow access to the entire home, the inspection will cease and the project will be denied for lack of compliance by the homeowner. Outbuildings not directly related to the housing rehab will not be assessed.
- 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 up to a cap. Where documentation and/or circumstances prove reasonable, the Montgomery County Housing Rehabilitation Program has the discretion to approve additional funds but it is a very rare occurrence. 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 Program 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 from the date of work completion, 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 Program.
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. Property with a reverse mortgage is not eligible for assistance.
10. **Clear Title.** All taxes and mortgage payments must be current and the title to the property must be clear of any 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 Program 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. Mortgaged homes must be secured by a financial institution and not a private individual. Homeowners financed through a family member or other private individual not affiliated with an insured banking institution are not eligible to apply. Homeowners with a reverse mortgage are not eligible to apply.
- 12. Previous Assistance.** Any owner previously provided housing rehabilitation or reconstruction assistance by Montgomery County Community Development 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 Program. Homeowners receiving previous assistance from other sources will only be approved for assistance on a limited basis and at the Program'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 Program, and the application/file has been closed/denied by MCHRP, 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 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 Program. 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.
- 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. The cost of lead paint testing is included in the total grant award.
- 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, 2001, 2015, 2016, or from Hurricane Harvey, Montgomery County Housing Rehabilitation Program reserves the right to require flood insurance. If the Homeowner does not

have the appropriate insurance and cannot obtain insurance, Montgomery County Housing Rehabilitation Program 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 Program 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

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

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).

Sources of income which are to be included in the determination of household income include: Income from Employment, Self-Employment Income, Social Security, SSI, Disability, Retirement, Pension, Child Support, AFDC, and Interest Income (This includes interest on CD's, or savings.)

Assets: The Homeowner/Applicant shall not have liquid assets in excess of: 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

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, additional vehicles, IRA accounts, 401k accounts, stocks, bonds, cash, jewelry, acreage, and the like. Applicants who own stocks, bonds, Certificates of Deposit, and the like should be prepared to utilize (cash in) those in conjunction with the project.

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 Program if household income changes. Failure to notify the Montgomery County Housing Rehabilitation Program 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 Program. 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.

6. Resident Safety. For the safety of the resident 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 Program 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 Program 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 Program. 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. 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 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 Program is responsible for such damage. The homeowner is responsible for providing electricity and/or water 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 and water bill. Contractors will make every reasonable effort to use as little electricity and/or water as possible including in many cases the use of generators.
- 8. 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 MCHR Program 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 Program are responsible for and will not replace any items discarded, whether the project is completed or not.
- 9. Promissory Note.** Homeowners must sign a promissory note and agree to follow its terms and conditions.
- 10. 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. The POA is restricted to the business of rehabilitating the house and ends when the project is complete.
- 11. 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. In the event of a Homeowner's death, the Family Administrator of the Homeowners estate must contact the Director of Montgomery County Community Development within 30 days after the death of the Homeowner. It then becomes the responsibility of the Homeowners Family Administrator to fulfill the remaining term of the affordability period. The home must be occupied by a person(s) who is income eligible under the current year HUD income guidelines, as stated in Section B.5 of these guidelines. If the Family Administrator is unable to secure a new qualified resident for the remainder of the contracted affordability period, the Program contract obligation will be enforced and any remaining debt will be due immediately.

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 Program Director. 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.

Projects will be cost estimated and a funding line established based on the department's annual budget. Projects crossing or falling below the funding line are reconsidered in the following application period at the applicant's request. 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, shown above. 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 Program occasionally 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 may be present on the property. The Montgomery County Housing Rehabilitation Program 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 **Autumn Edge, Senior Case Manager for the Housing Rehabilitation Program**. You can reach him at 936-442-7759 between the hours of 8:00am - 4:00 pm. Please leave a message if she is not at her desk, she will answer your questions as soon as she is available to return your call.

F. FAIR HOUSING

Montgomery County will take measures to make the Housing Rehabilitation 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, gender, 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 work is being done on their home. Appeals may be submitted in writing with an explanation and 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.

H. COST OF HOUSING REPLACEMENT

After assessment, housing may be determined to be irreparable. Habitability is the overriding factor in all replacement decisions. Home replacements will be considered on a case by case basis and will only be approved by the Department Head. If 26% to 75% of the property is damaged based on Housing Quality inspection standards, the home will be considered for repair. If less than 26% of the property is damaged the applicant will be referred to other organizations to do minor repairs. Montgomery County does not guarantee that minor repairs will be performed. Home repair costs cannot exceed either 75% of the market value of the property or \$60,000, whichever is lower. Homeowners are not entitled to the entire 75% or the full \$60,000 in home rehabilitation work. Homeowners will never receive cash. (Example #1: Current property value is \$85,000. 75% of the property value is \$63,750. Home repairs will not exceed the cap of \$60,000 for this project. Example #2: Current property value is \$25,000. 75% of the property value is \$18,750. Home repairs will not exceed \$18,750.) Property values are determined annually by the Montgomery County Appraisal District during the year program eligibility is determined.

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MONTGOMERY COUNTY HOUSING REHABILITATION PROGRAM

I have read The Montgomery County Housing Rehabilitation 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 Program.

Signed on the _____ day of _____, _____.

Homeowner : _____

Homeowner : _____



Montgomery County Housing Rehabilitation Program Guidelines and Policies Receipt

My name is _____. I have read the attached Montgomery County Housing Rehabilitation 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 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



Effective 10/01/2019

**Montgomery County
Housing Rehabilitation Program**

501 N. Thompson, Suite 200
Conroe, Texas 77301

File Number

Rehabilitation Program Application

Please answer all questions completely and truthfully. After completion, sign and date the application.

<div style="display: flex; justify-content: space-between;"><div style="width: 60%; border-bottom: 1px solid black; padding-bottom: 5px;">Applicant Full Name</div><div style="width: 35%; border-bottom: 1px solid black; padding-bottom: 5px;">Today's Date</div></div>	
<div style="display: flex; justify-content: space-between;"><div style="width: 45%; border-bottom: 1px solid black; padding-bottom: 5px;">()</div><div style="width: 5%; border-bottom: 1px solid black; padding-bottom: 5px;"></div><div style="width: 45%; border-bottom: 1px solid black; padding-bottom: 5px;"></div></div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"><div style="width: 45%;">Telephone Number(s)</div><div style="width: 5%;"></div><div style="width: 45%;">Social Security Number</div></div>	
<div style="display: flex; justify-content: space-between;"><div style="width: 45%; border-bottom: 1px solid black; padding-bottom: 5px;">()</div><div style="width: 5%; border-bottom: 1px solid black; padding-bottom: 5px;"></div><div style="width: 45%; border-bottom: 1px solid black; padding-bottom: 5px;">- Alt. Phone Number (family member)</div></div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"><div style="width: 45%;">Physical Property Address:</div><div style="width: 5%;"></div><div style="width: 45%; background-color: yellow;">Mailing Address:</div></div> <div style="display: flex; margin-top: 10px;"><div style="width: 45%; border-bottom: 1px solid black;"></div><div style="width: 5%; border-bottom: 1px solid black;"></div><div style="width: 45%; border-bottom: 1px solid black;"></div></div> <div style="display: flex; margin-top: 10px;"><div style="width: 45%; border-bottom: 1px solid black;"></div><div style="width: 5%; border-bottom: 1px solid black;"></div><div style="width: 45%; border-bottom: 1px solid black;"></div></div> <div style="display: flex; margin-top: 10px;"><div style="width: 45%; border-bottom: 1px solid black;"></div><div style="width: 5%; border-bottom: 1px solid black;"></div><div style="width: 45%; border-bottom: 1px solid black;"></div></div>	
<div style="border-bottom: 1px solid black; padding-bottom: 5px;">Detailed directions to property: _____</div> <div style="border-bottom: 1px solid black; padding-bottom: 5px; margin-top: 5px;"></div> <div style="border-bottom: 1px solid black; padding-bottom: 5px; margin-top: 5px;"></div> <div style="border-bottom: 1px solid black; padding-bottom: 5px; margin-top: 5px;"></div>	

- | | | |
|---|--|---------------------------------------|
| 1. Do you live in Montgomery County?
If no, then ... STOP ... this program is for Montgomery County residents only. | <input type="checkbox"/>
Yes | <input type="checkbox"/>
No |
| 2. Do you own or rent your home? If you rent your home... STOP ... this program is for owners only. | <input type="checkbox"/>
Yes | <input type="checkbox"/>
No |
| 3. Is your property clear of weeds, debris, trash, old cars, junk, and other unsightly, unsafe, and/or unsanitary conditions? | <input type="checkbox"/>
Yes | <input type="checkbox"/>
No |
| If no, can you clean up the property? | <input type="checkbox"/>
Yes | <input type="checkbox"/>
No |

Date Application Received:

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: _____

Are you legally married? (This includes common-law marriages)

☐ **Yes** ☐ **No**

Are you legally divorced? ☐ **Yes** ☐ **No**

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) 756-3354. 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: \$ _____

Provide a copy of 6 current, consecutive, unaltered or marked on, bank statements from every banking institution with whom the Applicant has an account, of any type. The entire statement must be provided for each month, not just the front page. 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, 30 days of payroll check stubs, 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 Program, 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 / RV**

☐ **Other** _____

24. What year was your home built? _____

Homes built before 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 Program 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

32. Did your home receive damage as a result of a recent weather event:

☐ Rainstorm ☐ Flood ☐ Hurricane _____ ☐ Fire ☐ Tornado

If yes, please indicate which event and the date: _____

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.

**COPIES OF THIS APPLICATION ARE NOT ACCEPTABLE.
YOU MUST SUBMIT THE ORIGINAL DOCUMENT TO:**

**MONTGOMERY COUNTY COMMUNITY DEVELOPMENT
ATTN: AUTUMN EDGE, SR. CASE MGR
501 N. THOMPSON, SUITE 200
CONROE, TX 77301
936-442-7759
autumn.haley@mctx.org**

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 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.



Effective 10/01/2019



CDBG FILE NUMBER: _____

REQUIRED DATA FORM



Homeowner: _____

Number of persons living in the home: _____

Primary Phone Number: _____ /Alternate Phone Number: _____

List each person living in the home:

Name	Age	Social Security Number
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Income of Homeowner:

Social Security.....Amount \$ _____

Child Support..... Amount \$ _____

Salary..... Amount \$ _____

Employed.....yes.....no

If yes, Where: _____

If no, Reason: _____

Social Security Disability..... Amount \$ _____

Pension..... Amount \$ _____

Other: (How does this family pay the bills?) _____

Other Member(s) of the Household WITH Income:

Name: _____ Amount: \$ _____/Month

Name: _____ Amount: \$ _____/Month

TOTAL AMOUNT OF HOUSEHOLD INCOME:

MONTHLY AMOUNT: \$ _____

YEARLY AMOUNT: \$ _____

ASSETS

Cash on hand: \$ _____
Checking yes no Amount: \$ _____
Savings yes no Amount: \$ _____
CD's yes no Amount: \$ _____
Stocks/Bonds yes no Amount: \$ _____
Vehicles yes no How Many _____

Other Assets: _____
(Jewelry, antiques, collections, 401(k), IRA, CD's, 457, TRS, etc)

TOTAL ASSETS FOR HOUSEHOLD.....AMOUNT \$ _____

Income Tax Records Provided yes no

INCOME VERIFICATION COMPLETED BY: _____

Applicant's Signature

DATE: _____

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.

HOUSEHOLD INCOME FALLS INTO THE FOLLOWING HUD INCOME LEVEL: _____ %

\$ _____ (for office use only) _____ Initials _____ Date





**MONTGOMERY COUNTY HOUSING REHABILITATION
PROGRAM REQUIRED DOCUMENTATION**

REQUIRED DOCUMENTATION:

The following documentation must be submitted with your application. **Although the application requests these documents, and in most cases informs you where to get the documents, we are providing you this list for your convenience. Failure to send the necessary and appropriate documents will delay review of your file. Failure to send the necessary and appropriate documents could prevent you from receiving assistance from Community Development.**

ALL OF THE FOLLOWING DOCUMENTS MUST BE PROVIDED IN THE FORM OF LEGIBLE PHOTOCOPIES. COMMUNITY DEVELOPMENT RESERVES THE RIGHT TO REQUEST TO REVIEW THE ORIGINAL DOCUMENTS.

1. **GENERAL WARRANTY DEED OR DEED OF TRUST FOR THE PROPERTY YOU ARE REQUESTING ASSISTANCE. CONTRACTS FOR DEED ARE NOT ACCEPTABLE.** The deed **MUST** reflect **YOUR** name as the property owner. 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 – directly across the street from the main courthouse: Phone (936) 788-8386.
2. **EASEMENT DEED or other recorded instrument reflecting any easements granted for the property, including, but not limited to: pipeline, utility, or land use easements.**
3. **CURRENT PROPERTY TAX STATEMENT Obtain from: Montgomery County Tax Office, 400 North San Jacinto, Conroe (936) 539-7897.**
4. **PROPERTY FIELD DATA CARD Obtain from: Montgomery County Appraisal District, 109 Gladstell, Conroe (936) 756-3354.**
5. **APPLICANT'S SOCIAL SECURITY CARD**
6. **SOCIAL SECURITY CARDS FOR EVERYONE LIVING IN THE HOME**
7. **CURRENT DRIVER'S LICENSE OR PHOTO ID**

8. PROOF OF CURRENT INCOME **FROM ALL SOURCES** (ie- 4 Consecutive Paycheck Stubs from most recent month(s) or Employment Verification letter)
9. **RECENT INCOME TAX RETURN INCLUDING ALL ATTACHMENTS, SCHEDULES, AND W-2 FORMS** (From ALL employed adult household members)
10. **SIX CURRENT BANK STATEMENTS FROM ALL BANK ACCOUNTS AND FINANCIAL INSTITUTIONS, INCLUDING ALL PAGES.**
11. HOME OWNERS INSURANCE POLICY, if applicable.
12. FLOOD PLAIN CERTIFICATE **Obtain from: Alan B. Sadler Commissioners' Court Building, 501 N. Thompson, Ste. 100, Conroe (936) 539-7836. Cost \$5.00**
13. MONTGOMERY COUNTY HOUSING REHABILITATION PROGRAM APPLICATION. **Completed, signed, and dated.**
14. SIGNED AND COMPLETED REQUIRED DATA FORM
15. CURRENT DEED RESTRICTIONS **for your Subdivision**, if applicable.
16. CURRENT MORTGAGE STATEMENT
17. CURRENT UTILITY BILLS (**Electricity and Water**)

ADDITIONAL INFORMATION/NOTES/QUESTIONS/COMMENTS:

[illegible]

APPENDIX Y

HUD PROCUREMENT OF CONSULTING SERVICES

U.S. Department of Housing and Urban Development
COMMUNITY PLANNING AND DEVELOPMENT

Special Attention of:

All Secretary's Representatives

All State/Area Coordinators

All CPD Division Directors

All CDBG Entitlement Grantees

All HOME Coordinators

All HOME Participating Jurisdictions

Notice: CPD 96-05

Issued: October 11, 1996

Expires: October 11, 1997

Cross References: 24 CFR Parts 570 & 92

Subject: Procurement of consulting services by Community Development Block Grant (CDBG) recipients, HOME participating jurisdictions, and subrecipients

PURPOSE

The purpose of this Notice is to provide information and guidance to Community Development Block Grant (CDBG) program recipients, HOME participating jurisdictions, and subrecipients (and for States that have adopted the Federal regulations on procurement referred to herein) on the procedures that should be followed to ensure proper procurement of goods and services. The Notice places particular emphasis on the procedures to be followed to ensure that professional service providers or consulting services are properly procured.

BACKGROUND

An audit report issued by the Office of Inspector General (OIG) in March 1994, found a variety of deficiencies in the procurement of consulting services by CDBG recipients. Among the problems identified in the procurement of such services were that (1) cost analyses were not being performed, (2) competition was often not free and open, (3) contract services were being paid for before the contract was signed or after the contract had expired, (4) work required under contracts often was not properly performed or delivered, and (5) maintenance of a contract administration system was often lacking.

As a result of this audit, the OIG recommended that the Office of Community Planning and Development issue a Notice to CDBG recipients and subrecipients on the need for compliance with the applicable CDBG procurement regulations with respect to the procurement of consulting services.

DGBE: Distribution: W-3-1, Special (All CDBG Entitlement Grantees; all HOME Participating Jurisdictions)

¹ For existing guidance on distinguishing between the use of procurement contracts and subrecipient agreements as a means of carrying out eligible CDBG activities, recipients and subrecipients should refer to HUD's Guidebook for Grantees on Subrecipient Oversight - Managing CDBG, which is part of HUD's Subrecipient Management Training materials issued August 1993. For guidance in carrying out eligible HOME activities, HOME participating jurisdictions should refer to 24 CFR 92.504 and 92.505.

The use of contracted services, including consulting services for professional assistance in program planning, development of community development objectives, and other general professional guidance relating to program execution, is eligible under the CDBG program at 24 CFR 570.200(d) and authorized under the HOME program at 24 CFR 92.505 by reference to the applicable uniform administrative requirements. For both programs, 24 CFR 85.36 is the authority for local governments (and States that have chosen to follow the regulations) to use when procuring consulting services under an independent contractor relationship, as provided at 24 CFR 570.502(a)(12) for CDBG and 92.505(a) for HOME. 24 CFR part 84 is the authority for non-governmental subrecipients, as stipulated at 24 CFR 570.502(b) and 92.505(b), respectively.²

Consulting services are an important resource available to CDBG grantees/HOME participating jurisdictions and their subrecipients to obtain professional assistance to plan and implement CDBG/HOME activities. However, the solicitation of these services should be prefaced by as much planning and preparation as possible, including identifying the use of consulting services in the recipient's consolidated plan, thereby subjecting it to the citizen participation process. The result will be procurement activities for which a more comprehensive and thoughtful procurement agenda exists and for which adequate funds are more likely to have been budgeted.

Following completion of the planning and budgeting process, recipients and subrecipients may wish to issue a public notice of procurement needs identifying general and specific activities under which consulting services may be required. The issuance of the notice sets in motion a process of early notification to potential providers of consulting services. By requesting qualifications of potential providers to carry out work in the areas specified, the notice can lead to the receipt of information that can be used to start a database of potential consultant providers.

While consulting services procured under the CDBG/HOME programs are governed by the procurement requirements noted above, these regulations permit recipients and their subrecipients to use their own procurement procedures (reflecting appropriate State and local laws and ordinances), as long as those procedures meet the standards identified in these regulations.

SECTION 1. COMPETITION AND STANDARDS OF CONDUCT

The procurement of consulting services places the utmost importance on a process that is fair and unbiased in every respect. A major opportunity to achieve this objective is ensuring in all procurement transactions the presence of full and open competition and the absence of conflicts of interest.

² In the text, where possible, applicable regulatory language is included in italicized print. As Part 85 is more descriptive than Part 84, it may be useful to nongovernmental entities seeking more information on a given procurement subject matter.

A. Full and open competition

To help ensure that consulting services are procured in a manner that is fully and openly competitive, the procurement of consulting services shall be conducted in a manner that provides full and open competition. 24 CFR 85.36(c)(1) identifies the following among the situations considered to be restrictive of competition:

- (I) Placing unreasonable requirements on firms in order for them to qualify to do business,
- (ii) Requiring unnecessary experience and excessive bonding,
- (iii) Noncompetitive pricing practices between firms or between affiliated companies,
- (iv) Noncompetitive awards to consultants that are on retainer contracts,
- (v) Organizational conflicts of interest,
- (vi) Specifying only a "brand name" product instead of allowing "an equal product to be offered and describing the performance of other relevant requirements of the procurement, and
- (vii) Any arbitrary action in the procurement process."

Section 84.43, which covers the subject, of competition for non-profit organizations, provides, in part:

"All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition."

Guidance for implementation:

Central to the efforts of recipients and subrecipients to obtain professional service providers to carry out eligible CDBG/HOME activities is ensuring that the procurement process is as free and open as possible. An adequate number of competing professional service providers must be part of the competitive process regardless of the method of procurement employed. The key to obtaining an adequate number of competing providers is an appropriate level of advertising. This can be best accomplished by advertising for professional service providers in widely circulated newspapers, trade journals and other sources including the use of a bidders list, if available, to ensure coverage of the marketplace.

Certain other considerations must be kept in mind to ensure the procurement of professional service providers is based on full and open competition. Unless stated in the solicitation documentation that the contract to be awarded calls for multi-year funding, contracts cannot be renewed or extended without further competition. Professional services which are to be provided for a longer period than originally procured must be readvertised. Recipients and subrecipients must also ensure, when procuring consulting services, that they do not use any firms

included on HUD's Debarment and Suspension List, as provided at 24 CFR 570.609 of the CDBG regulations, 24 CFR 92.357 of the HOME regulations, and at 85.35 and 84.44(d). (The General Services Administration issues a monthly publication, "The Lists of Parties Excluded from Federal Procurement or Non-Procurement Programs," that consolidates information from HUD and other Federal agencies on firms that are debarred and suspended. Information on subscription requirements may be obtained from GSA's Office of Acquisition Policy, (202) 501-4873.)

B. Conflicts of interest/standards of conduct

24 CFR 85.36(b)(3) states, in part:

"Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: (i) the employee, officer or agent, - (ii) any member of his immediate family; (iii) his or her partner, - or (iv) an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award."

The regulations covering nonprofit entities at 24 CFR 84.42 state:

"The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved."

Guidance for implementation:

Nothing is perhaps more detrimental to a successful procurement operation than to have the relationship between the recipient/subrecipient and the contractor questioned by real or apparent conflicts of interest. Conflicts may be personal, financial, or organizational. The professional services provider should be viewed as, and be in fact, an unencumbered provider of assistance in program planning, community development strategies and sources of other general and detailed guidance to the community. The integrity of the community development process and of those charged with carrying it out should not be sacrificed for something less than the highest standards of conduct. Nothing is more important than to ensure that the professional service provider is an independent party above any suspicion of having a real or apparent conflict of interest.

The concern about avoiding any appearance of a conflict of interest extends to those cases where one is to conduct business with organizations whose board members may have relationships with personnel of the recipient or subrecipient that may cause a real or apparent conflict of interest. It goes without saying that it will be most

important that those responsible for ensuring the integrity of the process exercise the utmost in good judgment when faced with such situations. Often, the only solutions to such situations is for the personnel of the recipient or subrecipient to abstain from any decision-making that would directly, and perhaps indirectly, impact on the final selection of the professional service provider.

(NOTE: The conflicts of interest discussed here pertain to conflicts under the procurement regulations in Parts 84 and 85. The CDBG and HOME conflict of interest regulations at 24 CFR 570.611 and 92.356, respectively, pertain to all nonprocurement cases not covered by Parts 84 and 85.)

SECTION II. METHODS OF PROCUREMENT

Recipients and subrecipients may use different methods of procurement to obtain consultant services.

A. Requests for proposals

24 CFR 85.36(d)(3), Procurement by competitive proposals, provides that "the technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- (I) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
- (ii) Proposals will be solicited from an adequate number of qualified sources,
- (iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;
- (iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered."

24 CFR 84.44 provides that nonprofit recipients "shall establish written procurement procedures. These procedures shall provide for at a minimum, "that the following criteria apply:

- (1) "Recipients avoid purchasing unnecessary items.
- (2) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.
- (3) Solicitations for goods and services provide for all of the following:

- (i) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
- (ii) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
- (iii) A description, whenever practical, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
- (iv) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
- (v) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
- (vi) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

Guidance for implementation:

The competitive proposals method of procurement is the preferred method to use when procuring consulting services. Under this method, a request for proposals (RFP) is prepared containing a statement of work that details the procurement requirements needed by the recipient or subrecipient. The request for proposals must clearly and accurately state selection criteria against which all responding proposals will be evaluated.

If an adequate number of professional service providers respond to the RFP, a qualified panel will review the proposals against factors for award identified in the RFP. This requirement that each proposal must first be evaluated against the selection criteria noted in the RFP is a distinctive characteristic of this method of procurement, where no public disclosure of the contents of offerors' proposals is made on the final date of receipt, as is done with sealed bids.

In its evaluation, the panel should use a competitive range procedure to establish a ranking order of successful proposals which may lead to a determination of whether oral discussions (negotiations) should be held with service providers that fall within the competitive range, or if the contract should be awarded to the top offeror in the range. If discussions are held, "best and final offers" are requested and re-scored with the best of the best selected as the winner of the competition, subject to negotiation of a fair and reasonable price.

- 3 The competitive range will include those consultant firms who, after a scoring of their proposals, appear to have the greatest potential to satisfy the terms and conditions of the RFP. Usually these consultants will be invited to an oral discussion and asked to submit, subsequent to such discussion, a "best and final offer."

After proposals are reviewed by the panel against the evaluation criteria (a combination of cost and price factors) in the RFP, written results of the reviews must be maintained as part of the documentation of the procurement process. If requested, the recipient or subrecipient should debrief or notify unsuccessful offerors of the winner and the conclusion of the procurement process.

B. Small purchases

24 CFR 85.36(d)(1) provides for procurement by small purchase procedures. "Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies or other property that do not cost more than \$100,000 in the aggregate. If small purchase procurements are used, price or rate quotations will be obtained from an adequate number of qualified sources."

Unlike 24 CFR 85.36(d)(1), the regulations at 24 CFR 84 do not specifically identify small purchase procedures as an eligible method of procurement. However, such eligibility is implicit in the language at 24 CFR 84.44(e)(2), which provides that when "[T]he procurement is expected to exceed \$100,000 or the small purchase threshold fixed at 41 U.S.C. 403(11) whichever is greater...", recipients shall, on request, make available for the Federal awarding agency, certain pre-award review and procurement documents.

Guidance for implementation:

Consultant services may be procured using small purchase procedures when the procurement will not cost more than the simplified acquisition threshold of \$100,000 in the aggregate. As noted in the above 24 CFR 85.36(d)(1) citation, it is necessary to obtain price or rate quotations from an adequate number (i.e., three to five) of qualified sources. To obtain rate and price quotations vendors can be phoned and their names, addresses and price or rate quotations should be recorded. The vendors whose solicited information is the most responsive to the item being procured should be issued a purchase order. Catalogues or price lists may also be used. It is important that the relatively smaller dollar amounts associated with small purchases and the informal nature of this procurement method do not create a climate in which the emphasis on full and open competition is diminished.

By virtue of the higher dollar threshold for small purchases (compared to a previous threshold of \$25,000) established under Parts 85 and 84, it is expected that most recipients and subrecipients will substantially increase the level of procurement of consulting services using small purchase procedures. In this regard, procuring parties should be advised that if small purchases with the higher dollar threshold become complex, it may be advantageous to use a written solicitation and to request written responses from potential providers of consultants' services.

C. Sealed bids

24 CFR 85.36(d)(2) provides for "Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material

terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction " services.

24 CFR 84.44 does not include a provision that specifically addresses the use of sealed bids. It does, however, make frequent use of the terms "bid" and "bidder" in discussing competition, procurement procedures and contract provisions.

Guidance for implementation:

Because of the nature of the services provided by most consultants, the sealed bid method of procurement is not the preferred method to use in procuring such services.

Where the occasion arises for its use, this method of procurement must involve use of a public solicitation (e.g., issuance of an invitation for bid (IFB)) with specifications to be responded to that are not overly restrictive. Award is to be made to the most responsive and responsible bidder whose bid conforms in all the material terms and conditions to the IFB and is the lowest in price. Selection of a consultant can be principally made on the basis of a firm, fixed price (lump sum or unit price).

D. Use of non-competitive procedures

In accordance with 24 CFR 85.36(d)(4), "Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

- (A) The item is available only from a single source;
- (B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
The awarding agency authorizes noncompetitive proposals; or
- (D) After solicitation of a number of sources, competition is determined inadequate.

Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required."

24 CFR Part 84 procurement regulations refer to the term lowest bid in a discussion that allows a grantor agency or authority to request pre-award reviews and procurement documents where other than the "apparent lowest bidder" will be the beneficiary of the procurement. Therefore, where the apparent low bidder is not awarded the contract, the procuring entity should document its application of cost reasonableness, as provided in OMB Circular A-122, in the procurement of consulting services.

24 CFR 84.44 does not include a provision that specifically addresses the use of noncompetitive procedures. However, it does provide at 84.46, Records, that "procurement records and files for purchases in excess of the small purchase threshold shall include, at a minimum:

- (b) Justification for lack of competition when competitive bids or offers are not obtained."

Guidance for implementation:

It is important that ample support and justification exist for the use of the noncompetitive method of procurement. Events that require efficiency in the procuring of services (e.g., an untimely event occurs that may be judged a crisis) may lead to initiating a one and only contractor selection process and awarding the contract to that firm. However, such a situation could be handled by simply shortening the procurement period rather than eliminating it. Another example is when a contract runs out that does not contain a provision calling for work for more than one year. The contract is renewed to the same contractor without competition on the belief that the renewal is justified because of the experience accumulated by the contractor in the subject area of work or because of the perception that a new procurement initiative would be no more than an exercise with the current contractor being selected anyway. If there is no provision for extending the contract, a provision that would have been made known to all parties in the solicitation document, the preponderance of odds seemingly favoring one contractor is not an adequate basis on which to justify the exclusion of potential providers of consulting service from the right to compete. (Note: with respect to item C above, awarding agency means HUD, the grantee, HOME participating jurisdiction or subgrantee.)

Additional information on conducting a cost analysis is provided in Section V.

E. Architectural & engineering services

24 CFR 85.36(d)(3)(v) provides that "grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort." 24 CFR 84.44 does not include a provision that specifically addresses the procurement of A/E services.

Guidance for implementation:

As noted above, recipients and subrecipients have the choice of issuing a Request For Proposal (RFP) or soliciting qualification-based statements. When the choice is to issue a RFP, the guidance discussed under Section II(A) should be followed. In addition to the guidance, maps and site locations and starting and ending dates should also be made available to A/E service providers if this kind of information is critical to the development of proposals. Of course, where A/E services will be used for construction projects, it is advisable to schedule pre-bid construction

discuss the project, wage rates, responsibilities, on-site monitoring procedures and other pertinent subjects.

Where the grantee or subgrantee decides to request A/E qualifications, the qualification statements received should be reviewed and ranked by a qualified panel or board. The most qualified A/E service providers can be asked to submit requests for proposals or the most qualified can be selected and negotiation with the selectee can begin immediately.

Under qualifications-based procurement of A/E consultant services, four points are to be remembered: (1) qualifications-based procurement may be used in procuring A/E professional services; (2) price is not an initial selection factor; (3) geographic preference may be used as a selection factor if adequate competition (i.e., 2 or more offerors who are responsive and responsible) exists within an area; and (4) state laws governing the procurement of architectural and engineering services may vary, so recipients should be careful to understand the laws in their respective states.

F. Employee/employer relationship (24 CFR 570.200(d)(1))

Consultant services provided under an employee/employer relationship are not governed by the procurement requirements of Part 85 or Part 84.

Rather, under the CDBG program, obtaining consultant services under this procedure is authorized at 24 CFR 570.200(d)(1). (Until such time as the HOME regulations are revised to address consultant services under an employee/ employer relationship, HOME participating jurisdictions should follow the procedure established for the CDBG program.) Recipients and subrecipients must follow their own formal personnel policies and procedures in obtaining consultant services under this provision of the regulations. When using this procedure, the consultant (1) would have a description of his or her duties (position description), (2) would be supervised by the recipient or subrecipient, and (3) would be subject to the normal periodic interaction that takes place between an employee and his or her supervisor. Standard personnel policy for selecting individuals to fill positions include the development of a position, writing of the duties of the position, advertising the position, reviewing and rating of applications, and selection for the position. Where CDBG or HOME funding is being used to pay the salary of the person occupying the position in whole or in part, for purposes of determining the length of stay in a position before it is readvertised, the standard that shall apply is a maximum of three years from the date the contract is signed. (Note: This 3-year standard is used by HUD irrespective of the recipient or subrecipient using personnel agreements or contracts.)

No person providing consultant services in an employer-employee type of relationship can receive more than a reasonable rate of compensation paid with CDBG or HOME funds for personal services, and in no event can the amount of compensation in an employee/employer relationship exceed the maximum daily rate of compensation for Level IV of the Executive Schedule (ES) as established by Federal law.

SECTION III. CONTRACT CLAUSES AND BIDDERS LIST

A. Contract Clauses

Refer to 24 CFR 85.36(I) or 84.48, as applicable, for those clauses to be included in the contract type associated with the above methods of procurement.

B. Use of bidders list

24 CFR 85.36(c)(4) states that "grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period." Further, 24 CFR 85.36(e)(2)(I) requires that qualified small and minority businesses and women's business enterprises are to be placed on solicitation lists.

24 CFR 84 does not specifically address the use of a bidders list. However, 24 CFR 84.43 states that "all procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition." Further, 24 CFR 84.44(b)(2) provides that organizations covered by these regulations shall "make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.

Guidance for implementation:

The procurement of professional services must be accomplished under procedures that provide for full and open competition as has been stated throughout this Notice. The bidders' list can assist in the realization of that objective if used properly. Not meant to be read literally, the term bidders list is intended to refer to any properly developed database, classification or categorizing of potential professional service providers whose services may be solicited under any method of procurement. As with any special listing, a bidders list also affords recipients and subrecipients the opportunity to obtain information on the capabilities and the resources of providers. Such information can be critical for a purchasing operation to provide to operating departments timely and up-to-date information on vendors available to provide consulting services. These lists must be open and inclusive, and routinely updated and managed. For example, names should be purged from the list when found to be on the HUD debarment list or when no proposals or bids are received for a long time from list members to whom RFP's or IFB's have been mailed. Keep in mind that lists are not simply to be rotated; such usage has been judged by courts to be inconsistent with the full and open competition concept. The one exception to this, however, is in the case of small purchases where the practice of rotating names on the list is considered acceptable.

SECTION IV. CONTRACTING WITH SMALL AND MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISES AND LABOR SURPLUS AREAS FIRMS; COMPLIANCE WITH SECTION 3

A. Contracting with small and minority, women's business enterprises and labor surplus area firms

24 CFR 85.36(e) addresses contracting with small and minority firms, women's business enterprise and labor surplus area firms and provides that "the grantee and subgrantee will take all necessary affirmative steps to ensure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps shall include:

- (I) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
- (iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
- (v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and
- (v) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above in (I) through (v).

As identified in paragraph B of Section III above, 24 CFR 84.44(b) requires that positive efforts shall be made by recipients to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Recipients of Federal awards shall take the steps identified at 24 CFR 84.44(b)(1) - (5), which are identified below, to further this goal.

- (1) "Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
- (2) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- (3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

- (4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
- (5) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

Guidance for implementation:

Recipients and subrecipients should initiate actions to increase the opportunities for small, minority- and women-owned businesses to participate in the procurement process. Placing such businesses on lists, dividing total requirements, organizing procurement schedules, making information available encouraging small business consortiums and using the services of the Department of Commerce are among the identified actions or steps that are available. Some measure of aggressiveness or initiative must be put forth either directly or indirectly by recipients and subrecipients, or it is unlikely opportunities will open up for greater participation by the subject businesses. However, if none of the suggested steps are incorporated into the procurement activities of units of general local government or nonprofit organizations, it can be fairly concluded that any leveling of the playing field for opportunities for these firms will be quite limited.

A close look at the list of steps that can be taken shows them to be divided into those that can be directly controlled by the recipient or subrecipient, with others being done by prime or general contractors.

For example, in the RFP process, recipients and subrecipients can develop a points system in which extra points can be awarded to firms whose proposals include the use of minority- and women-owned businesses and labor surplus area firms as subcontractors. Additionally, databases can be developed that include such firms so that when a prime contractor indicates difficulty in locating minority- or women owned firms, a list can be provided to him or her by the recipient or subrecipient from its database.

Each recipient/subrecipient is responsible for ensuring that general contractors are aware of their responsibility to use small, minority-owned and women-owned businesses. Similarly, those contractors are responsible for ensuring that their subcontractors are aware of the responsibility for compliance with this requirement and of the strategies that may be used to comply. In the previous section, it was noted that the use of the bidders list, for example, should be inclusive. In that regard, the list should be open to new firms at all times and can be helpful in the development of information on small, minority and women-owned businesses by the areas of specialty of these professional services providers.

B. Section 3 Requirement of the Housing and Urban Development Act of 1968, as amended

In accordance with the requirements under Section 3 of the Housing and Urban Development Act of 1968, as amended, recipients shall ensure that employment and other economic opportunities generated by the use of CDBG/HOME funds shall, to the greatest extent feasible, be directed to low- and very-low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very-low income persons. Section 3 covered assistance includes the expenditure of CDBG/HOME funds for work arising in connection with housing rehabilitation, housing construction, or other public construction projects.

Section 3 requirements are applicable to all procurement actions in excess of the small purchase threshold established at 24 CFR 85.36(d)(1), regardless of whether the procurement is governed by 24 CFR 85.36. All Section 3 covered contracts and subcontracts (contracts and subcontracts awarded for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project) in which the amount of assistance to the recipient exceeds \$200,000 and the contract or subcontract exceeds \$100,000 shall include the Section 3 clause.

SECTION V. CONTRACT COST AND PRICE

In addition to the requirements for competitive procurement and maintenance of a written code of standards of conduct, those who procure consultant services must be prepared (1) to conduct a cost or price analysis and (2) to ensure that the contract price and profit are reasonable.

A. Contract cost and price

1. Cost and price analysis

24 CFR 85.36(f)(1) provides that "grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price."

24 CFR 84.45 states that "some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

Guidance for implementation:

As provided in the regulations identified above, recipients and subrecipients must perform their own cost or price analysis for every procurement action for consulting services, including contract modifications or change orders. The method and degree of analysis depends on the facts related to each procurement, but as a starting point, the recipient/subrecipient must make independent estimates before receiving bids or proposals.

- a. Price analysis is the process of examining and evaluating a proposed price without examining its separate cost elements and proposed profit. As price analysis is associated with the sealed bid method of procurement, which is not the preferred approach to procuring professional services, the need to conduct a price analysis for such services will be limited. However, where the need arises to conduct a price analysis for consulting services, approaches that can be used to determine if a proposed price is fair and reasonable include:
 - i. A comparison of the proposed prices received in response to the solicitation;
 - ii. A review of historical/previous prices proposed against current prices proposed for the same or similar items;
 - iii. A comparison with published prices or market prices;
 - iv. A comparison with internal, independent estimates;
 - v. A comparison of detailed price information to assess the overall price (which may involve use of cost principles as general guidance in determining price reasonableness).
- b. Cost analysis differs from price analysis in that it is the review and evaluation of the separate elements of cost and proposed profit, and the reasonableness of those estimated costs of performance. Cost analysis is necessary when cost or pricing data are required, as well as when adequate price competition is lacking (e.g., use of non-competitive procedures), for sole source procurements, or when price analysis alone is insufficient to ensure the proposed price is reasonable. Cost analysis is also required for contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. Approaches to cost analysis and ensuring that proposed costs represent accurate projections include:

- I. Verification that costs submitted by the offeror comply with applicable cost principles, including that direct and indirect costs are allowable and allocable, as well as reasonable;
- ii. A comparison of the offeror's proposed costs with internal, independent estimates;
- iii. A comparison of historical/previous actual costs from the offeror, or previous cost estimates from the offeror or from other offerors, with the current/proposed costs for the same or similar items;
- iv. A comparison of proposed cost items with published catalogue prices, market costs, etc.

In addition to evaluating such factual data on costs, cost analysis should also consider the judgmental factors used by the offeror to arrive at the estimated costs that were submitted, i.e., what judgmental factors and methods (mathematical or other) were used in projecting the data submitted in the proposal. This part of the cost analysis should ensure that the factual data presented reasonably reflects the need(s) identified in the solicitation.

In carrying out their responsibilities in the performance of price and cost analysis, recipients and subrecipients are to follow the provisions of OMB Circulars A-87 and A-122, as applicable.

2. Contract price and profit

In accordance with 24 CFR Section 85.36(f)(2), recipients and subrecipients will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see 24 CFR 85.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

24 CFR 84.44 states that the type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the recipient but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. Similar to Part 85, Part 84 provides, the "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of

contracting shall not be used.
Guidance for implementation:

In accordance with the above requirements, recipients and subrecipients will negotiate profit as a separate element of the price for each consultant contract in which there is no price competition, and in all cases where a cost analysis is performed. To establish a fair and reasonable profit, it may be useful to establish a general range of profit for the work being done, with consideration given to the complexity of the work to be performed, the risk borne by the consultant, the consultant's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. If profit is shown as a percentage of cost relative to the work to be done, the recipient should review such amount and make adjustments, as needed, based on the factors identified above in this paragraph.

SECTION VI. CONTRACT ADMINISTRATION

The procurement of contract services must provide for an overall system of contract administration to ensure proper post-award administration of each procurement action.

24 CFR 85.36(b)(2) states that grantees and subgrantees "will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Similarly, for nonprofit organizations, 24 CFR 84.47 requires that "a system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract."

Guidance for implementation:

Based on the above requirements for recipients and their subrecipients to maintain a system for contract administration, such a system should ensure the following:

- 1 . That the method of procurement is documented and that such records are maintained for five (5) years after the final payment is made and the activity is listed on a recipient's annual performance report to HUD, and all pending matters are closed;
2. That all activities are carried out and all costs are incurred in compliance with requirements of 24 CFR Parts 570, 92 and 58;
3. Before payment is made, that services performed are adequate and consistent with the contract scope of services;

4. That performance is monitored periodically and the results of the reviews are included in the procurement record. Monitoring should include periodic reviews of tasks against deliverables, as well as a review of progress reports submitted by the consultant against the tasks and deliverables. It should also include a determination that the management systems contractually agreed to are still in place and functioning properly;
5. That contract modifications are justified and do not serve as a means to artificially increase the price of the award.

Recipients and subrecipients with questions concerning the content of this Notice should contact the Community Planning and Development Division in the appropriate HUD field office. HUD field offices with questions related to the CDBG program should contact the Entitlement Communities Division or the Financial Management Division in the Office of Block Grant Assistance, while questions from HUD field offices related to the HOME program should be directed to the Office of Affordable Housing Programs.

APPENDIX Z

HUD SECTION 3 CONTRACTING POLICY & PROCEDURE

MONTGOMERY COUNTY SECTION 3 PLAN

Executive Summary

The purpose of Section 3 of the Housing and Urban Development (HUD) Act of 1968 (12 U.S.C. 1701u) (Section 3) is a HUD requirement that efforts be made, to the extent feasible, for contractors awarded contracts on federal programs to hire local, low-income persons to work on these projects and to hire contractors who qualify as a Section 3 business. Signs are required to be posted at the job sites announcing the Section 3 requirements, contractors are required to keep records and documents of their hiring practices and statistics, and Montgomery County will provide oversight and submit required reports.

Low income persons are classified as 80% of the area median income or lower. Section 3 businesses are companies owned by 51% or more Section 3 residents or have at least 30% of their full-time staff who are Section 3 residents.

Clauses containing Section 3 information and requirements are required to be included in contracts executed for contractors participating in federal programs.

Section 3 program goals are:

- 30% of aggregate number of new hires.
- 10% of construction contracts.
- 3% of non-construction contracts.

Requirements have not been stringently enforced in the past; however, recent communications have been promulgated by HUD announcing Section 3 requirements will be enforced in the future. Current programs using federal funds will be subject to audits, inspections and reviews and HUD is committed to enforcement of program requirements and goals.

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.

Purpose. 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 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.

Section 3 Beneficiaries.

Section 3 beneficiaries are either individual residents of public housing or individuals residing in Montgomery County as legal residents whose income is low or very-low income, according to the median income for the area.

A Section 3 business is a business concern that is 1) 51% or more owned by low or very-low income residents (according to the median income for the area), *or* 2) at least 30% of its permanent, full-time employees 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) can provide evidence of commitment to subcontract in excess of 25% of the dollar amount awarded in the contract to Section 3 businesses.

A business concern seeking to qualify for a Section 3 contracting preference must certify or submit evidence that the business concern qualifies as Section 3. 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.

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.

Section 3 funding thresholds.

Section 3 applies to CPD funds in excess of \$200,000.00. Since Montgomery County has been awarded CDBG funds in excess of \$200,000, Section 3 applies.

The requirements apply to all contractors and subcontractors performing work on covered projects for which the amount of the assistance exceeds \$200,000.00 and the contract or subcontract exceeds \$100,000.00. Contracts for more than \$100,000 require the contractor to report Section 3 information and make every effort to meet Section 3 goals.

If the contract is less than \$100,000.00, the Section 3 requirements apply only to Montgomery County.

MONTGOMERY COUNTY RESPONSIBILITIES

Contracts between Montgomery County and contractors.

- Notify residents and business concerns about available economic activities.
- Facilitate training and employment of residents by applying priority preferences at 24 CFR 135.34(a)(2).
 - Residents of the housing development or developments for which the section 3 covered assistance is expended (category 1 residents);
 - Residents of other housing developments managed by the HA that is expending the section 3 covered housing assistance (category 2 residents);
 - Participants in HUD Youthbuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the section 3 covered assistance is expended (category 3 residents);
 - Other section 3 residents.
- Award contracts to Section 3 businesses by applying priority preferences at 24 CFR 135.36(a)(2).
 - Section 3 business concerns that provide economic opportunities for section 3 residents in the service area or neighborhood in which the section 3 covered project is located (category 1 businesses); and
 - Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);
 - Other section 3 business concerns.
- Obtain compliance of contractors and subcontractors with Section 3 requirements in meeting numerical goals.
 - 30% of aggregate number of **new** hires should be low income persons. Contractor is not obligated to hire anyone who is not qualified for the position, nor obligated to eliminate current employees and replace with Section 3 employees. This goal applies to NEW, AVAILABLE positions only, and to hiring QUALIFIED persons.
 - 10% of the dollar value of construction contracts.
 - 3% of non-construction contracts.
- Document compliance actions listed in the Compliance Report included in this plan.

- Submit annual 60002 forms to Texas General Land Office (GLO) and/or HUD.
- Notify contractors of their responsibilities and incorporating the Section 3 clause into their contracts.

All Section 3 covered contracts shall include 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 are subject to the provisions of Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

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.**

The objective is to provide information to the contractor(s) and enforce the critical Section 3 information during the pre-bid conference prior to commencement of the work/project, and during the post-award phase while the work is being conducted. The contractor will be required to certify its understanding of the terms and conditions of the contract as it pertains to Section 3 Hiring. The function of monitoring Section 3 will be carried out by the Montgomery County Labor Standards Officer assigned in writing to each project, including all field activities.

CONTRACTOR RESPONSIBILITIES

Contractors will, to the greatest extent *feasible*, offer contracting opportunities to Section 3 individuals and 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.

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. 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. 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.

Reporting requirements.

Form 60002 shall be used to report Section 3 information. This form can be found at http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12048.pdf. This form shall be submitted quarterly or as required by the Texas General Land Office (GLO) and/or HUD.

Points of Contact.

HUD: Robert Allen, (817) 978-5873.

GLO: Kristina Loera, kristina.loera@tdhca.state.tx.us, (512) 936-7817.

Contractor: Kathy Gentry, kgarland@mspaceholdings.com, (912) 260-0038.

Contractor: Gabe Costello, gabecostello@consolidated.net, (936) 756-1718.

Compliance. 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. Parties to this contract are subject to Section 3 provisions to the maximum extent feasible.

Technical Assistance.

- Section 3 Division at HUD FHEO: (202) 402-3468, fax: (202) 708-0413.
- Email: section3@hud.gov
- Website: <http://www.hud.gov/offices/fheo/section3/section3.cfm>

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.

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

Signature (Corporate Seal) Authorizing Name and

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?
<p>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)</p>
<p>No. Section 3 applies to Contractor only. (Complete remainder of form with respect to your company)</p>
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 AA

MONITORING PLAN FOR MCCD

MONTGOMERY COUNTY COMMUNITY DEVELOPMENT

MONITORING PLAN

Montgomery County is constantly monitoring the progress of the Consolidated Plan, and the annual projects designed to accomplish the Plan. MCCD has a relatively small grant, so the Community Development Director is aware almost on a daily basis where the County stands with regard to the stated goals. Each activity is monitored against the stated objectives throughout the life of the project. Those accomplishments are reported in the CAPER each year and documented in detail in the program records. Below is a summary of the measures Montgomery County is taking to ensure that goals and objectives are met.

PUBIC SERVICE SUBRECIPIENTS

Social service agencies report outcomes data monthly, and are monitored on site at least once during the program year. The Grant Financial Monitor reviews reports for accuracy and eligibility for reimbursement, tracks trends in spending to ensure full drawdown by the end of the grant year, and consistency with the contractual uses of the funds. Client data is aggregated monthly. By year end, the Monitor has visited each agency, touring the facility, assessing financial and other pertinent records to determine consistency with reported documentation, and reviewing program guidelines and progress with either the Executive Director or the responsible financial staff member of each agency. Agencies are required to submit a year-end report.

Downpayment assistance activities are reviewed for eligibility and completeness of documentation at the time of authorization for payment.

CONSTRUCTION PROJECTS

Capital projects are monitored by the Director of Community Development for timeliness of construction, and contractors are monitored at each phase of construction by the Labor Standards Officer for Davis-Bacon and Copeland Act compliance, and bi-annually by the Civil Rights Coordinator for Section 3 and MBE/WBE goals. Facility utilization data for occupied facilities is reported at year-end to the department.

Rehabilitation/Relocation projects are reviewed for eligibility and completeness of documentation at each phase of the project.

The Grant Financial Monitor provides periodic eligibility review of rental housing activities, as well as on-site technical assistance. Staff inspects units annually on a pre-determined schedule, using HQS standards.

ADMINISTRATIVE

Cash Flow of the agency is reviewed weekly, to track Administrative funds and progress toward goals on various capital and social service activities. This review is conducted by the Grants Finance Officer, the county Auditor's Office, and the Director of Community Development.

All bid processes are conducted in a fair and equitable way, published in a newspaper of general circulation. Minority businesses are welcome to bid, and do. Bid processes are monitored by the county Purchasing Department.

APPENDIX BB

OFFICE PROCEDURES FOR REHABILITATION FOR MCCD

OFFICE PROCEDURES REHABILITATION APPLICANTS/CONTRACTORS/VENDORS

AUTUMN MAILED OUT APPLICATIONS TO ALL CITIZENS INTERESTED IN APPLYING FOR CDBG'S REHABILITATION PROGRAM.

MAIL OUT:

SHOULD BE MAILED IN ONE ENVELOPE, NEATLY PRINTED AND WITH A RETURN ADDRESS.

THE FIRST PACKET MAILOUT CONSISTS OF THE 20+ PAGE DOCUMENT INCLUDING THE REQUIRED DOCUMENT CHECK LIST.

WHEN AN APPLICATION PACKET IS RECEIVED IN:

AUTUMN SHOULD:

DATE STAMP THE APPLICATION AND PLACE THE APPLICATION IN A FILE.

GIVE THE FILE A PRINTED LABEL, WITH NAME, (LAST NAME FIRST) AND CDBG NUMBER (FROM EXCEL SHEET).

AUTUMN IS RESPONSIBLE FOR INCOME ELIGIBILITY. ROBERT IS RESPONSIBLE FOR REHABILITATION ELIGIBILITY.

INCOME ELIGIBILITY IS THE FIRST STEP OF AN APPLICANT.

INCOME ELIGIBILITY:

AUTUMN REVIEWS THE INCOME ELIGIBILITY SHEETS AND ALL FINANCIAL INFORMATION THAT HAS BEEN PROVIDED WITH THE APPLICATION.

DOCUMENTS AUTUMN SHOULD BE REVIEWING FROM THE FILE INCLUDE:

SOCIAL SECURITY CARD(S)

CURRENT DRIVER'S LICENSE

RECENT SOCIAL SECURITY BENEFIT STATEMENTS

RECENT BANK STATEMENTS

RECENT CHILD SUPPORT DOCUMENTATION

RECENT PAYCHECK STUBS

RECENT DISABILITY BENEFIT STATEMENT

MOST RECENT TAX RETURN

AND/OR ANY OTHER FINANCIAL DOCUMENTS WHICH MAY HELP IN DETERMINING INCOME ELIGIBILITY.

AUTUMN CORRECTS AND/OR COMPLETES THE BLANKS ON THE INCOME ELIGIBILITY SHEETS BASED ON THE DOCUMENTS SHE HAS RECEIVED WITH THE APPLICATION.

IF DOCUMENTS ARE NEEDED, AUTUMN RETURNS AN INCOME ELIGIBILITY DOCUMENT TO THE APPLICANT AND REQUESTS MORE INFORMATION AND/OR MORE DOCUMENTATION. AUTUMN HIGHLIGHTS THE PARTS THAT ARE NEEDING TO BE COMPLETED.

AFTER 6 MONTHS, IF NO INFORMATION IS RETURNED, AUTUMN CLOSES THE FILE, MARKING **"CLOSED APPLICANT FAILED TO PROVIDE REQUESTED DOCUMENTATION"** ON THE INSIDE COVER. SHE ALSO CLOSES THE EXCEL ENTRY AND INDICATES **"CLOSED APPLICANT FAILED TO PROVIDE REQUESTED DOCUMENTATION"** AND DATES THE ENTRY.

IF THE APPLICANT THEN SUBMITS INFORMATION, (AFTER THE 6 MONTHS TIME) A LETTER IS SENT ALONG WITH A NEW REHAB APPLICATION. THE APPLICANT WILL

NEED TO START THE PROCESS OVER AS; THE PREVIOUS INFORMATION IS NOW STALE.

IF DOCUMENTATION IS SUBMITTED TIMELY, OR IF THE DOCUMENTATION IS PRESENT IN THE FILE:

AUTUMN VERIFIES THE INFORMATION WHEN IT IS SUBMITTED OR RESUBMITTED.

AUTUMN CALCULATES THE HOUSEHOLD INCOME BASED ON DOCUMENTATION PROVIDED BY THE APPLICANT, AND WRITES THE TOTAL HOUSEHOLD INCOME IN THE LAST BLANK ON PAGE TWO OF THE INCOME ELIGIBILITY. IF THE APPLICANT HAS FILLED IN AN AMOUNT, IT IS AUTUMN'S RESPONSIBILITY TO AGREE WITH THE AMOUNT, AND INDICATE THAT, OR CORRECT THE AMOUNT, BASED ON THE DOCUMENTS THAT WERE SUBMITTED.

AUTUMN COMPARES THE HOUSEHOLD INCOME TO THE HUD INCOME GUIDELINES. IF THE APPLICANT FINANCIALLY QUALIFIES, AUTUMN INDICATES WHICH INCOME BRACKET THE CLIENT QUALIFIES UNDER ON THE INCOME ELIGIBILITY SHEET, AND SIGNS HER NAME AS THE PERSON WHO VERIFIED THE HOUSEHOLD INCOME. SHE DATES THE DETERMINATION WHEN IT'S MADE.

AUTUMN IS VERIFYING INCOME THE BEST SHE CAN, WITH THE DOCUMENTS WE HAVE. IT IS ALWAYS RECOGNIZED THAT APPLICANTS CAN LIE, CAN SUBMIT FALSE INFORMATION, OR ALTER DOCUMENTS. AUTUMN'S JOB, IS TO ENSURE WE HAVE DOCUMENTATION THAT MEETS THE GUIDELINES, AND IS TO OUR KNOWLEDGE ACCURATE. AUTUMN SHOULD ALSO ENSURE THE APPLICATION THAT REPORTS THE INCOME IS SIGNED BY THE APPLICANT.

AT ANYTIME DURING AUTUMN'S FINANCIAL REVIEW, A PROBLEM DEVELOPS DR. DUCHARME IS TO BE INFORMED IMMEDIATELY. THIS INCLUDES BUT IS NOT LIMITED TO: ANGRY APPLICANTS, PERSONALITY CLASHES, FINANCIAL DOCUMENTATION CONFUSION, OR SUSPECTED FRAUD.

HUD INCOME GUIDELINES CHANGE FREQUENTLY. IT IS AUTUMN'S RESPONSIBILITY TO GET THAT INFORMATION FROM HUD, (USING THEIR WEBSITE) AND TO MAINTAIN THAT INFORMATION.

HUD INCOME GUIDELINES CHANGE ANNUALLY AND THE MOST RECENT WORKSHEET WILL ALWAYS BE USED FOR ACCURACY IN DETERMINING ELIGIBILITY.

REHABILITATION ELIGIBILITY/VERIFICATION IS THE SECOND STEP IN AN APPLICANTS RECEIVING ASSISTANCE FROM CDBG. THIS IS ROBERT'S RESPONSIBILITY.

ROBERT VERIFIES THE FOLLOWING: (VERIFIES MEANS LOOKS IT UP)

IS THE REHAB ADDRESS IN MONTGOMERY COUNTY?

IS THE REHAB ADDRESS IN AN UNINCORPORATED AREA OF MONTGOMERYCOUNTY

PROOF OF OWNERSHIP OF REHAB PROPERTY.

ROBERT REVIEWS:

LEAD BASED PAINT DOCUMENTATION

PROPERTY TAX CERTIFICATE/CURRENT TAX SITUATION.

PROPERTY FIELD DATA CARD

PROPERTY INSURANCE

FLOOD PLAIN INFORMATION/PROBLEM

REVIEW REQUESTED HELP—WHAT HAS THE APPLICANT ASK CDBG TO DO?
APPLICATION IS SIGNED BY APPLICANT.

IF ROBERT REVIEWS THE FILE AND IT APPEARS TO BE A FEASIBLE APPLICANT, ROBERT ASKS AUTUMN TO MAKE CONTACT WITH THE APPLICANT. AUTUMN ACKNOWLEDGES THAT THEIR APPLICATION HAS BEEN RECEIVED AND REQUESTS ANY DOCUMENTS SHE NEEDS FOR HER ELIGIBILITY DETERMINATION. AUTUMN WRITES ON THE CASE NOTES FORM, WHO SHE TALKED WITH AND WHEN, AND WHAT SHE REQUESTED FROM THE APPLICANT OR PLACES A COPY OF A LETTER THAT WAS MAILED TO THE CLIENT ASKING FOR THE ABOVE INFORMATION. SHE NOTES IN THE FILE WHEN THE APPLICANTS SAY THEY WILL GET IT TO US. IF SHE LEAVES A MESSAGE, SHE NOTES ON THE CONTACT SHEET WHOM THE MESSAGE WAS LEFT WITH, WHEN AND WHAT MESSAGE WAS LEFT, AND THE RESPONSE FROM THE PERSON ON THE PHONE.

SAMPLE:

8/17/2000 Spoke to George Homeowner's daughter, Sheila Brown. Left message to have George Homeowner call me. Sheila said he would be back from the doctor at 2:00 and she would have him call. rl

8/18/2000 Got answer machine. Left message, that George Homeowner needed to call Robert Langford at CDBG immediately. AH

8/25/2000 Heather Montgomery/ Congressman Brady's Office called regarding this applicant. I told her the application was in review and waiting on some documents. AH

AUTUMN PROVIDES INSTRUCTION AND DIRECTIONS AS TO HOW THE APPLICANT CAN OBTAIN THE DOCUMENTS HE OR SHE IS NEEDING.

WHEN AUTUMN HAS DOCUMENTED THE CONTACT SHEET, AND FILE IS PENDING WAITING FOR THE APPLICANT TO SUBMIT DOCUMENTS, SHE PUTS THE FILE IN ROBERT'S OFFICE.

AUTUMN WILL DOCUMENT HER CALENDAR WHEN THE INFORMATION IS DUE AND PULL FILES FOR RECALL PERIODICALLY.

WHILE THE FILE IS "PENDING" WAITING FOR DOCUMENTS, IT IS IN THE FILE CABINET. PERIODICALLY, AUTUMN WILL PULL FILES FOR "RECALLS".

A FILE WILL BE PULLED FOR "RECALL" WHEN THE DATE THE APPLICANT STATED THEY WOULD GET THE DOCUMENTS TO CDBG HAS PASSED, (AS PER THE CONTACT SHEET) AND/OR 30 DAYS HAS ELAPSED.

WHEN THE PROCESS HAS BEEN COMPLETED THREE TIMES (90 DAYS) AND STILL THE APPLICANT HAS NOT SUBMITTED THE DOCUMENTS. (IE: AT LEAST THREE CONTACTS HAVE BEEN MADE WITH THE APPLICANT) THE FILE REMAINS IN THE PENDING FILES UNTIL THE END OF THE 6-MONTH APPLICATION PERIOD.

AUTUMN PULLS THE FILE AFTER 6 MONTHS AND CLOSES IT OUT.
USING THE SAME CLOSE OUT METHOD AS PREVIOUSLY DESCRIBED.

WHEN ALL DOCUMENTS ARE SUBMITTED, ROBERT MAKES A SITE VISIT TO THE LOCATION AND MEETS IN PERSON WITH THE HOMEOWNER. THIS MEETING SHOULD BE SCHEDULED AND THE HOMEOWNER SHOULD BE FULLY AWARE THAT ROBERT IS COMING. ROBERT SHOULD BE ON TIME, DRESSED NEATLY, AND

PROFESSIONALLY. AUTUMN ACCOMPANIES ROBERT ON ALL FIRST TIME HOME VISITS.

ROBERT VIEWS THE RESIDENCE, AND COMPLETES HIS WRITE-UP OF REHABILITATION NEEDS.

ROBERT DATES THE WRITE-UP AND SIGNS IT.

ROBERT COMPLETES THE LEAD BASED PAINT REVIEW DOCUMENTATION.

ROBERT TAKES "BEFORE" PHOTOS OF THE PROJECT ON HIS PHONE.

UPON HIS RETURN TO THE OFFICE, ROBERT WILL DOWNLOAD THE PHOTOS FROM HIS PHONE TO HIS COMPUTER IN HIS OFFICE. EACH CLIENTS PHOTOS ARE PLACED IN A FILE LABELED WITH THEIR LAST, FIRST NAME ON IT FOR IDENTIFICATION.

ROBERT RETURNS TO THE OFFICE AND DETERMINES AN ESTIMATED COST FOR THE WORK. THIS WOULD INCLUDE CALLS TO CONTRACTORS AND PRICING. THESE CALLS AND PRICING SHOULD BE DOCUMENTED IN THE FILE. (WHO SAID WHAT AND HOW MUCH) HOWEVER, THESE ESTIMATES DO NOT HAVE TO BE THE CONFIRMED PROPOSALS.

ROBERT DETERMINES WHETHER THIS HOUSE IS REHABILITATABLE OR WHETHER THE WORK IS OUTSIDE THE SCOPE OF OUR PROGRAM.

IF THE HOME IS OUTSIDE OUR SCOPE, CONFIRMED ESTIMATIONS SHOULD BE PRESENT IN THE FILE, AND ROBERT AND AUTUMN THEN DISCUSS THE FILE.

IF THE FILE APPEARS TO BE WITHIN THE SCOPE OF CDBG, WITH ALL DOCUMENTS PRESENT, THE APPLICATION COMPLETE, AND THE INCOME ELIGIBILITY DETERMINED, ROBERT PASSES THE FILE TO AUTUMN FOR FURTHER REVIEW.

ROBERT'S DATED WORK WRITE-UP, WITH HIS COST ESTIMATIONS, SHOULD BE THE FIRST DOCUMENTS IN THE FILE SO THAT THEY ARE THE FIRST THINGS AUTUMN VIEWS.

AUTUMN AGAIN REVIEWS THE FILE FOR COMPLETENESS.

ROBERT MEETS WITH AUTUMN FOR DISCUSSION OF OPTIONS, COST, FEASIBILITY, ETC. TOGETHER AUTUMN AND ROBERT APPROVE THE PROJECT SUBJECT TO TITLE SEARCH, DESIGN, AND CONFIRMED PROPOSALS. THROUGHOUT THE PROCESS, ALL QUESTIONS FROM AUTUMN AND ROBERT ARE DIRECTED TO DR. DUCHARME FOR GUIDANCE AND CLAIRTY. DR. DUCHARME MAKES THE FINAL DECISIONS ON EACH REHABILITATION AND REPLACEMENT PROJECT.

ROBERT REQUESTS AUTUMN TO SUBMIT THE APPLICANT TO OLD REPUBLIC FOR A TITLE SEARCH.

AUTUMN DOES SO AND DOCUMENTS WHEN SHE REQUESTED THE TITLE SEARCH. WHEN THE TITLE SEARCH COMES IN--- AUTUMN AUTOMATICALLY SUBMITS THE TITLE SEARCH TO THE COUNTY ATTORNEY'S OFFICE FOR COUNTY ATTORNEY REVIEW. AUTUMN DOCUMENTS THE FILE OF THAT REQUEST. AUTUMN PAPERCLIPS THE TITLE DOCUMENTS TO THE FILE AND PLACES THE FILE IN AN INNER OFFICE ENVELOPE AND DELIVERS IT TO THE COUNTY ATTORNEY'S OFFICE.

ROBERT ALSO REVIEWS THE TITLE SEARCH DOCUMENTS.

ROBERT CALLS APPROVED CONTRACTORS AND OBTAINS WRITTEN PROPOSALS FOR THE JOB.

CDBG DOES NOT ACCEPT VERBAL BIDS OR PROPOSALS AT THIS PHASE. ALL BIDS/PROPOSALS MUST BE IN WRITING, CURRENT AND SIGNED BY AN APPROPRIATE PARTY.

ROBERT SELECTS APPROVED CONTRACTORS AND HOLDS A PRE-CONSTRUCTION CONFERENCE WITH THE SELECTED CONTRACTORS.

ROBERT DOCUMENTS THE TOTAL COST OF THE REHABILITATION AND SUBMITS THE FILE TO AUTUMN FOR CONTRACTS.

THE FILE SHOULD CONTAIN THIS PAPERWORK:
THE CDBG APPLICATION
SOCIAL SECURITY CARD
DRIVER'S LICENSE
FINANCIAL ELIGIBILITY AND DOCUMENTATION
REHABILITATION ELIGIBILITY
LEAD BASED PAINT DOCUMENT(S)
BEFORE PHOTOS OF PROJECT

AT ANYTIME DURING ROBERTS PROCESS, A PROBLEM DEVELOPS DR. DUCHARME IS TO BE INFORMED IMMEDIATELY. THIS INCLUDES BUT IS NOT LIMITED TO: ANGRY APPLICANTS, PERSONALITY CLASHES, PAPERWORK CONFUSION OR SUSPECTED FRAUD.

ROBERT KEEPS ALL CLIENT FILES IN HIS OFFICE. THEY ARE TO BE KEPT IN FILE CABINETS. ONE CABINET IS LABELED "PENDING REHABILITATION FILES"; ONE CABINET IS LABELED "CLOSED REHABILITATION FILES". THE FILES ARE KEPT IN ALPHEBETICAL ORDER—A THRU Z.

AUTUMN FILES ROUTINE PAPERWORK INTO THE FILES.

ROBERT TAKES THE FILE HE IS WORKING ON AND RETURNS IT TO AUTUMN TYPICALLY, AT THE END OF THE DAY.

ALL CONTACTS WITH APPLICANTS, OR OTHER INTERESTED PARTIES SHOULD BE DOCUMENTED ON THE CASE NOTES SHEET.

CONTACT WITH APPLICANTS AND PUBLIC:

ALWAYS BE PROFESSIONAL. ALWAYS BE SENSITIVE TO RACE, GENDER, AGE, DISABILITY, FINANACIAL SITUATION, FAMILIAL STATUS, NATIONAL ORIGIN, RELIGION, COLOR, AND THE PERSONAL CIRCUMSTANCES FOR WHICH THE APPLICANT IS STRUGGLING. REMAIN HELPFUL AND COURTEOUS. OUR JOB IS ASSISTING OTHERS. IF WE CAN HELP WE DO. WHEN TALKING TO THE APPLICANT YOUR THOUGHT SHOULD BE FOCUSED ON **"HOW CAN I HELP THIS PERSON"**. SOMETIMES, THAT IS JUST BY A FRIENDLY KIND WORD AND AN UNDERSTANDING TONE. IT IS OUR JOB TO HELP.

CLIENTS ALWAYS HAVE THE OPTION TO APPEAL FINAL DECISIONS MADE BY CDBG STAFF. ALL ELIGIBLE CLIENTS RECEIVE THE APPROPRIATE CONTACT INFORMATION ABOUT HOW TO PROPERLY FILE AN APPEAL WITH OUR OFFICE, IF NEEDED.

APPENDIX CC

OPTIONAL HOUSING RELOCATION P&P FOR MCCD

MONTGOMERY COUNTY COMMUNITY DEVELOPMENT OPTIONAL HOUSING RELOCATION 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 relocation 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.** Relocation 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 Relocation Program. The office will also serve as the approving authority for documents related to the Optional Relocation 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 relocation and for the amount of relocation 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 relocation. The Optional Relocation 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 his 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 Development Rehabilitation Program must be met for applicants to be placed on the Optional Relocation Program list.
- B.** The Homeowner is notified that the rehabilitation of the structure has been determined to be infeasible.
- C.** Staff evaluates applicants for relocation 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. Typically, applicants are assisted on a first in first out process.
- 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 relocation 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 Relocation 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), Relocation 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 relocation 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, including referrals to builders, suppliers, contractors and other professionals.
- I.** The Homeowner and the Community Development office agree to the arrangement and method of the approved assistance to the Homeowner. All payments will be made payable to the Homeowner and a third party vendor, as approved by Community Development. No payments will be made directly to the Homeowner.
- J.** After the Homeowner and the Community Development office have agreed to the arrangement and method for approved assistance, the Homeowner will execute a contract with a vendor, builder, supplier, or seller for the selected replacement dwelling. The Homeowner will also contract for the demolition of the substandard dwelling and for lot and site clearance and preparation and other work necessary for a successful relocation. The Homeowner will contract with other contractors for water, waste, and other necessary services for a successful and livable environment.
- 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 Homeowner and the vendor. Vendors will be paid through the Community Development Office on behalf of the Homeowner. The Director will endorse all checks on behalf of the Homeowner and pay the contractors.

IV. ELIGIBILITY REQUIREMENTS

Eligibility for relocation 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 Relocation 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 Relocation 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/relocation 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 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 setout by the U.S. Department of Housing and Urban Development. Only low-income applicants will be considered for the Optional Relocation 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 relocation 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 on a first in first assisted manner. Priority may be given to seniors, disabled applicants (or applicants with medical conditions), and single mothers with small children.
- B.** The number of recipients to receive assistance will be subject to availability of funds. It is the goal of Community Development to relocate at least one applicant per year.
- C.** Community Development staff will evaluate applications from the list of structures determined to be infeasible to rehabilitate. Based upon this evaluation, a recommendation will be made as to the priority of applicants to be assisted. In general, applicants are assisted on a first in first assisted manner. Priority may be given to seniors, disabled applicants (or applicants with medical conditions), and single mothers with small children.
- D.** Below is a listing of some criteria to be used to make this evaluation:
 - 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.** Health and handicapping disabilities of occupants which necessitates the unit to be handicapped accessible.
 - 3.** Seniors.

4. Disabled citizens. Medical conditions in family.
5. Single mothers with small children.
6. Time and date of application.
7. Geographic location of residence.

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 600 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 relocation 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 relocation 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 20% rate annually on the anniversary date of the lien. 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 will not be forgiven until 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 relocation 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.
 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 Relocation 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

Homeowners who have previously received assistance from the Montgomery County Community Development Housing Rehabilitation Program, or Montgomery County Community Development Optional Housing Relocation 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 2 years 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 Relocation 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 Relocation Program.

Homeowner: _____

Homeowner: _____

Signed on the _____ day of _____, _____.

My name is _____ I have read the attached
Montgomery County Community Development Optional Relocation 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 Relocation 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.

APPENDIX DD

PURCHASING MANUAL-PROCUREMENT CREDIT CARD P&P FOR MCTX



PURCHASING POLICY MANUAL 2019

Gilbert D. Jalomo, Jr., CPPB, Purchasing Agent
501 N. Thompson St, Suite 405, Conroe TX 77301
(936) 539-7980

*Approved in Commissioners Court 12/19/17
Grant Policy and Procedures- Added 6/12/2018
Approved in Commissioners Court 7/9/2019*

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MONTGOMERY COUNTY PURCHASING DEPARTMENT PURCHASING POLICY MANUAL

SUBJECT: POLICY AND AUTHORITY

Policy 1.1: General Policy

MISSION STATEMENT: The mission of Montgomery County Purchasing Department is to ensure the proper, prompt, and responsive purchase of all supplies, materials, equipment, and services required and to ensure the proper expenditure of taxpayers' dollars in an atmosphere of equality to all vendors with no regard to undue influence or political pressure.

It is the policy of Montgomery County that all Purchasing shall be conducted strictly on the basis of economic and business merit. This policy is intended to promote the interest of the citizens of Montgomery County.

- A. To avoid violation of or the appearance of violation of the policies in this manual, Montgomery County employees and officials are prohibited from:
 - Seeking or accepting, directly or indirectly, any loans, services, payments, entertainment, trips or gifts of merchandise or money in any amount from a business or an individual doing or seeking to do business with the County.
- B. It is important to remember that County Purchasing operates in full view of the public. In order to assure an open purchasing process and economy in purchasing, the Commissioners' Court has determined that competitive bidding will be used as much as possible in the purchase of goods and services for the County.
- C. Montgomery County intends to maintain a cost effective purchasing system conforming to good management practices. To be successful, the system must be backed by proper attitudes and cooperation of not only every department head and official, but also every supervisor and employee of Montgomery County. The establishment and maintenance of a good purchasing system is possible only through cooperative effort. The responsibility of purchasing ultimately rests with the Commissioners' Court. The Purchasing Agent, as an agent of the Commissioners' Court, aids in the purchasing process but is subject to the Court's direction as to reasonable specifications and maximum prices on items to be purchased. The Purchasing Agent, as authorized by the Commissioners' Court, shall instruct departments and agencies of various rules and procedures needed to fulfill the Purchasing Agent's duties.
- D. The purchasing process is not instantaneous. Time is required to complete the steps required by State law. In order to accomplish timely purchasing of products and services at the least cost or best value to Montgomery County, all departments must cooperate fully. Prior planning and the timely submission of requisitions are essential to expedite the purchasing process and to assure that the process is orderly and lawful.

In addition, the Purchasing Department policy is to work simultaneously with the County Auditor as part of the system of checks and balances to ensure the proper expenditure of taxpayer's dollars.

SUBJECT: POLICY AND AUTHORITY

Policy 1.2: Purchasing Authority and General Guidelines

Authority to make County purchases resides in either the County Purchasing Agent or the Commissioners' Court. The Purchasing Agent is responsible for making purchases of supplies, materials, equipment, and for making contracts for repairs to County owned property and supervises all purchases made on competitive procurement to ensure compliance with the purchase contract and shall provide competitive procurement, to the extent practical under the circumstances, for the County to purchase an item under contract that is not subject to competitive bidding. (Local Government Code ("LGC") 262.0115 and 262.011).

General guidelines for procurement and utilization of this manual are as follows:

- A. Generally, competitive procurement is required on any purchase likely to equal or exceed \$50,000. (The competitive procurement amount is set by the State Legislature and may be changed by the Legislature. LGC 262.023(a).) Unless a procurement contract for the goods or services already exists, the items are required to be purchased through competitive procurement as described in Policy 3.2. Questions regarding the necessity of competitive procurement should be directed to Purchasing.

It is a punishable offense for any person other than the County Purchasing Agent to make purchases or enter into contracts for purchases.

- B. Other Purchases – Special procedures are available for and applicable to the purchase of particular goods and services summarized as follows:
 - 1. Unbudgeted Capital Expenditures – Purchases not authorized in a department's current budget must be authorized through a budget amendment by the Commissioners' Court.
 - 2. Blanket Purchase Orders – Acquisition of goods or services on an "as needed" basis may be authorized in appropriate instances by a blanket purchase order.
 - 3. Proposals – As an alternative to competitive procurement, (LGC 262.030) competitive proposals from vendors may be solicited by the County.
 - 4. Travel – Arrangements for travel and reimbursement of travel expenses should be according to the procedures provided by the Montgomery County Employee Policy Manual and County Auditor Travel Reimbursement Instructions.
 - 5. Professional and Personal Services – Professional and Personal Services may be exempted from competitive procurement; however, they may be obtained through Requests for Proposals or Requests for Qualifications.
 - 6. Emergency Purchases – Items otherwise required to be competitively procured may be exempt from the competitive procurement process by the Commissioners' Court if (1) an item that must be purchased in a case of public calamity if it is necessary to make the purchase promptly to relieve the necessity of the citizens or to preserve the property of the County, (2) the purchase is necessary to preserve the public health or safety of County residents, or (3) the purchase is required due to unforeseen damage to public property.

7. Sole Source Items – An item available from only one source may be purchased without competitive procurement, with the approval of both the Commissioners' Court and County Purchasing Agent.
 8. Equipment Maintenance Services – Maintenance is arranged through the Purchasing Department.
 9. Personal Property Sold – Personal property sold at auction, at a going out of business sale or by another government entity may be purchased without competitive procurement.
 10. Services – Services required under the statutory bid amount are delegated to the Purchasing Agent.
- C. Purchase Orders will be prepared and issued only by the County Purchasing Department. These are two reasons for this:
1. The Texas Local Government Code is clear on the point that the County Purchasing Department makes all purchases (except those made on competitive bid/proposal).
 2. Should the County Purchasing Department issue a purchase order, after a County employee has already made the purchase, dual deliveries may result.
- D. Selection of vendor on non-bid purchases rests exclusively with the County Purchasing Agent. The Purchasing Agent has neither the duty, power, authority, nor desire to determine whether or not a purchase should be made; his/her authority extends only to selection of vendor. This duty is zealously guarded.

SUBJECT: RELATIONSHIPS

Policy 1.3: Relationship of the Purchasing Agent, County Elected Officials, and Department Heads.

- A. The Purchasing Agent directs the activities of the County Purchasing Department, a service organization, representing the procurement requirements of each County Office/Department. To successfully represent the best interest of the County, it is essential to have a strong working relationship with all County Offices/Departments. The intent of this policy is to guide and assist in identifying the responsibilities and obligations required in the procurement process.
- B. Hereinafter, the following apply:
 - 1. County Purchasing Department will be referred to as “Purchasing.”
 - 2. County Office/Departments will be referred to as “Office.”
 - 3. Montgomery County, Texas will be referred to as “County.”
- C. Relationship with vendor’s representative:
 - 1. The buyer-seller relationship is one of mutuality. The responsibility of establishing and maintaining a professional relationship between the County and its suppliers lies with Purchasing. For this reason, it is imperative that Purchasing be made aware of all proposed transactions involving the County.
 - 2. It is the responsibility of Purchasing to represent County Offices in the purchasing process. This includes the contact normally associated with sales calls. By observing the policies and procedures outlined in this manual the time of both the County and its suppliers will be maximized.
 - 3. The relationship between Purchasing and Vendor representatives will be as follows:
 - a. Representatives of vendors will be received by Purchasing promptly and courteously with a scheduled appointment.
 - b. All correspondence with suppliers will originate in Purchasing. Should an Office find it necessary to correspond with a vendor, for any reason, a copy of the correspondence should be sent to Purchasing.
 - c. All offices must keep themselves free from the image of conflict of interest by not accepting favors, gifts or entertainment offered by any suppliers of the County.

SUBJECT: ROLES AND RESPONSIBILITIES

Policy 1.4: Purchasing and User Departments' Roles and Responsibilities

There are specific roles and responsibilities for both User Departments and the Purchasing Office during the competitive procurement process. They protect the integrity of the process and provide fair and equal access to all vendors seeking to do business with Montgomery County.

Process	User Department Role/Responsibility	Purchasing Office Role/Responsibility
Requirements Definition/Specification Development	<ol style="list-style-type: none"> 1 Identifies what is needed, when it is needed, the quantity needed and where it is needed and works with Purchasing Office to document need in writing a specification 2 Ensures funding (budget is available to support need) 3 Sends specification funds line item to Purchasing Office 4 Works with Purchasing Office to develop evaluation criteria/formats (as applicable) 	<ol style="list-style-type: none"> 1 Consults with User Department in development of specifications and procurement process to be used 2 Reviews specification to ensure that it is descriptive and specific but does not prevent competition among comparable goods 3 Works with User Department to develop evaluation criteria/formats (as applicable) 4 Prepares agenda request for Commissioners' Court (if applicable)
Solicitation	<ol style="list-style-type: none"> 1 Reviews solicitation documents before issuance to ensure User Department needs are met 2 Provides Purchasing Office with a list of potential vendors that can meet the solicitation requirements 3 Provides technical clarifications to Purchasing Office if vendor questions arise 4 Supports pre-solicitation conferences (as applicable) 	<ol style="list-style-type: none"> 1 Develops solicitation documents based on specification and sends to User Department for review before final issuance 2 Issues solicitation to vendors identified by User Department and vendor database. 3 Advertises solicitation in accordance with state law 4 Conducts pre-solicitation conferences (as applicable) 5 Provides answers or clarifications to vendors before solicitation closes 6 Receives and logs vendor responses 7 Prepares responses for evaluation and send to User Department
Evaluation and Negotiation (as applicable)	<ol style="list-style-type: none"> 1 Evaluators from User Department sign confidentiality memorandum and send to Purchasing Office (as applicable) 2 Evaluates responses based on established evaluation criteria 3 Completes evaluation and submit recommendation to Purchasing Office to develop negotiation strategy (as applicable) 4 Works with Purchasing Office to develop negotiation strategy (as applicable) 5 Participates as member of negotiating team to negotiate Best and Final Offers (BAFOs) (as applicable) 	<ol style="list-style-type: none"> 1 Issues confidentiality memorandum to all evaluators before evaluation commences (as applicable) 2 Supervises evaluation process to ensure consistent and fair application of evaluation criteria 3 Acts as point of contact for evaluator requests and communications to vendors for additional information 4 Compiles individual evaluation results and works with users to develop recommendation for award and prepares contract award agenda item for Commissioners' Court 5 Works with User Department to develop negotiation strategy (as applicable)

Process	User Department Role/Responsibility	Purchasing Office Role/Responsibility
Evaluation and Negotiation (as applicable) - CONTINUED	<p>6 Works with Purchasing Office to develop final recommendation for award</p> <p>7 Provides memorandum to Purchasing Office to support contract award agenda development</p>	<p>6 Leads negotiating team to negotiate BAFOs (if applicable)</p> <p>7 Receives Best and Final Offer (BAFO) and develops final recommendation for award (if applicable)</p> <p>8 Works with County Attorney in preparation of contract as required, and</p> <p>9 Prepares contract award agenda request for Commissioners' Court</p> <p>10 Issue Purchase Order</p>
Contract Modifications	<p>1 Request modifications in writing to Purchasing Office</p> <p>2 Reviews draft and final modifications to ensure it meets User Department needs</p>	<p>1 Evaluates modification request and works with User Department to develop modifications</p> <p>2 Coordinates with vendor and User Department to develop draft modifications</p> <p>3 Works with County Attorney to review and finalize modifications</p> <p>4 Obtains appropriate signatures (vendor, attorney, etc.)</p> <p>5 Either Purchasing Agent approves modifications or staff develops Commissioners' Court agenda request for approval depending on type and amount of modification</p>
Contract Performance Monitoring	<p>1 Receives copy of contract and monitors vendor performance and delivery</p> <p>2 Notifies Purchasing Office of non-performance and provides written documentation outlining details of non-performance (dates, description of problem, etc.)</p> <p>3 Works with Purchasing Office to develop acceptable corrective actions (as applicable)</p>	<p>1 Maintains complete contract file with supporting documentation during term of contract</p> <p>2 Works with vendor to resolve performance issues as identified by User Department</p> <p>3 Develops corrective actions and timetables for completion to resolve performance issues and documents in contract file (as applicable)</p> <p>4 Works with User Department and County Attorney to terminate contract when necessary because of non-performance</p> <p>5 Prepares contract termination agenda request for Commissioners' Court action (if required)</p>



MONTGOMERY COUNTY PURCHASING DEPARTMENT PURCHASING POLICY MANUAL

SUBJECT: REQUISITIONS

Policy 2.1: Requirements for Requisitioning

- A.** A requisition is required for all purchases (LGC 113.901). Authority to approve requisitions for processing is delegated to the Purchasing Agent. The purpose is twofold: (1) to inform Purchasing of the needs of the requesting department; and, (2) to identify correctly and clearly the material requested. Requisitions must be prepared well in advance to enable Purchasing to find a vendor and to allow for delivery by the vendor.
- B.** Requisitions are prepared and processed manually or electronically and approved by the department head with an authorized signature or electronic security code. All information, including complete product or service details, must be given by the requesting department. An Authorization Form must be submitted electronically to the Purchasing Department for each Elected Official or Department Head to delegate requisitioning authority for assigned budgets to individual employees. Each Elected Official or Department Head is held accountable to ensure that all authorized employees are properly instructed in Purchasing law and policy and are cognizant of all legal and disciplinary consequences as a result of violations.
- C.** The following deadlines have been established for each fiscal year to assist the Purchasing and County Auditor's offices by allowing adequate time to process all of the necessary paperwork, secure bids or quotes and provide for the payment of the majority of expenses prior to September 30th of each year:
 - 1. July 1 – Deadline for purchase request for capital items or procurements that require competitive sealed procurement (separate, sequential component over \$50,000.) Requisitions must be received and funds must be available by this date for any capital purchase. Requests after this date would need to be justified through Commissioners' Court for items over \$50,000.00 and through the Purchasing Agent for all other capital items.
 - 2. September 15 – Deadline for all other purchase requisitions. Requisitions received after this date will not be processed in the current fiscal year unless adequate justification is made through the Purchasing Agent. Repair requests will be handled as normal to ensure efficient operations.



MONTGOMERY COUNTY PURCHASING DEPARTMENT PURCHASING POLICY MANUAL

SUBJECT: PURCHASING EQUIREMENTS

Policy 3.1: Purchasing of Materials and Supplies

- A. Materials and supplies are acquired through Purchasing. Additionally, contracts for repairs to property used by the County are entered through Purchasing.

The Buyer shall use various means to provide for competitive bidding to practicable extent (LGC 262.0241). Methods and procedures for acquisitions through Purchasing are described below.

- B. This section of the procedure manual outlines the responsibilities of County departments when making an acquisition through Purchasing.

1. Purchasing's responsibilities are to:

- a. Obtain information about and to know the needs of the County departments.
- b. Secure products needed by departments at the least cost to the County.
- c. Know the sources for and availability of needed products.
- d. Aid and cooperate with all departments of the County to meet their equipment and supply needs.

2. Requesting Departments' responsibilities are to:

- a. Make requests with sufficient time to allow the vendor to make delivery.
- b. Prepare specifications if needed.
- c. Supply a written list to Purchasing of any department personnel (besides the department head or County official) who are authorized to prepare and/or approve requisition forms.
- d. Inform Purchasing of all unusual demands.
- e. Take no actions which might be viewed as obligating or committing the County, except in an emergency.
- f. Make no commitments regarding commodities or services in the name of the County. Such commitments will be VOID unless they are made by the Purchasing Agent, the Commissioners' Court, or other authorized agents of the Purchasing Agent.

- C. Once a department issues a requisition for items, Purchasing will process the request. If the capital expenditure is less than the statutory bid requirement, a written or verbal quote is sought; if above the statutory bid requirement, competitive written bids must be sought.

When the bid or quote is awarded, the requisition will be processed into a purchase order (PO) by Purchasing.

- D. When items are received, the requesting department confirms that items were received in acceptable condition according to contract terms. If in unacceptable condition, Purchasing will follow-up with vendor in order to correct any issues. If items are in acceptable condition, the department shall process a Receiving Record and payment will be processed by the Auditor.
- E. It is the responsibility of each County department to see that all purchased items conform to the quantity, quality and specifications of the order.
- F. If goods are unacceptable, the user department must immediately notify Purchasing in writing of the reasons why the merchandise is not acceptable. Purchasing will then compel replacement, cancel the order, or take other appropriate action to obtain acceptable merchandise. If merchandise replacement or other appropriate action cannot be achieved within a time frame acceptable to the user department, the PO shall be canceled.
- G. Pick-up purchase orders may be issued for specific purchases as approved by the Purchasing Agent and are limited to purchases of items which cannot be planned for in advance; for example, items needed when there is an unforeseeable equipment breakdown. Departments may issue a PO number over the phone to execute the order and later, Purchasing will issue a hard copy PO to confirm the order. Once the items are received or services completed, the PO is processed in the same manner previously described.
- H. Miscellaneous Provisions
 - 1. County officials or employees shall not purchase supplies, materials or equipment of any kind through the County of Montgomery for personal use.
 - 2. All departments requiring specific uniforms to be worn by County employees shall limit such purchases to only those items not considered to be of a personal nature. An exception to this policy must be approved by Commissioners' Court.
 - 3. Montgomery County attempts to purchase recycled products when deemed economical and quality standards are met.
 - 4. The Department of Information Technology will approve all purchases of computer equipment, computer software, technology services, and telephone equipment.
- I. Blanket Purchase Orders are inappropriate for the following:
 - 1. "Going Shopping." The County taxpayers' deserves the best planning of which we are capable. The rationale that "I have \$200.00 left and I need a blanket purchase order to XYZ Supply Company to use it up" is contrary to the trust placed in each of us.
 - 2. "Just in Case." Requesting Blanket Purchase Orders to a number of vendors on a regular basis "just in case we may need them" is a direct reflection on the planning capabilities of the end user. Moreover, with the encumbrance system in place each

Blanket Purchase Order withdraws the appropriate amount of money from the appropriate line item and places it in escrow pending payment to the vendor.

SUBJECT: PURCHASING REQUIREMENTS

Policy 3.2: Bidding/Proposal Process and Procedures

- A. Bid Procedures - Statutory Limits - LGC 262.023 sets limits for requirements of formal bids. No specifications are to be written with the intent to exclude possible bidders. Competitive bidding can be achieved on either a lump sum or a unit price basis. If unit price bids are solicited, the needed quantities of each item are to be estimated on the bid based on the best available information. The successful bidder's compensation, however, will be based on the actual quantities supplied, furnished or constructed. In applying the competitive bidding and competitive proposal requirements, all separate, sequential or component purchases of items are treated as if they are a single purchase and a single contract.
- B. Requesting Department's Responsibilities
 - 1. Obtain bid procedure information from the Purchasing Department;
 - 2. Provide bid specifications and approximate quantities, based on the best available information, and include a Request Permission to Advertise form.
 - 3. Return the bid information to Purchasing far enough in advance of the desired purchase date to allow time for the formal bidding process;
 - 4. If necessary, be present at the meeting of Commissioners' Court during which the bid and award are discussed.
- C. Purchasing Department's Responsibilities
 - 1. Determine if such item or items are exempt from competitive bidding procedures (LGC 262.024);
 - 2. Review bid specifications to determine adequacy in light of general requirements and to ensure they are not restrictive;
 - 3. Finalize agenda request and notify the department of agenda date;
 - 4. Advise vendors of bid notice and/or specifications;
 - 5. Ensure publication of the legally required notice (LGC 262.025).
- D. Bid Opening/Receipt of Proposals (LGC 262.026/262.030) - All bids and proposals will be received and time-stamped in by the Purchasing Department. The Purchasing Department's stamped, clock-in time will be the official time of receipt. Purchasing will open all formal bids in an open public forum on the assigned day at the designated time. Bids or proposals will be opened only after the established closing date and time. Purchasing will furnish copies of the bids to the requesting department, and the evaluation committee. Manual hard copy (paper) bid responses will be uploaded as an unofficial spreadsheet.

Proposals will be opened and publicly received and acknowledged only so as to avoid disclosure of the contents to competing offerors and kept secret during the negotiation/

evaluation process. However, all proposals shall be open for public inspection after the contract is awarded. Trade secrets and confidential information contained in the proposal, so identified by offeror as such, will be treated as confidential by Montgomery County to the extent allowable by the Open Records Act.

Commissioners' Court authorizes the Purchasing Agent to extend bid and proposal opening dates or other needed corrections to the original specifications by addenda. (LGC 262.026).

- E. Bid Recommendations (LGC 262.027/262.030) - After examining copies of all the bids, the requesting department and/or evaluation committee will send a written recommendation for bid award to Purchasing prior to the deadline for Commissioners' Court agenda. Purchasing will verify recommendation to the lowest bid received from a responsive, responsible bidder.

The contract may not be awarded to a bidder who is not the lowest dollar bidder meeting specifications unless, before the award, each lower bidder is given notice of the proposed award and is given an opportunity to appear before the Commissioners' Court and present evidence concerning the lower bidder's responsibility.

- F. The Purchasing Agent will submit a request to the Commissioners' Court to enter into contract negotiation process with the highest evaluated respondent. The following steps should be considered during the negotiation process:
- Purchasing Agent and evaluation committee shall conduct discussions and negotiate with responsible proposal Offerors who submit proposals determined to be reasonably susceptible of being selected for award.
 - Offerors will be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals.
 - Revisions shall be permitted after submission and before award for the purpose of obtaining the best and final offer.
 - After certification of recommendations, Purchasing will submit an agenda; notify the department and present bids and a recommendation for award to the Commissioners' Court.

- G. Bid Award (LGC 262.027) – Bids will be awarded to the lowest and best responsible bidder, or all bids may be rejected.

The Commissioners' Court may award contracts for the purchase of road construction material to more than one bidder if each of the selected bidders submits the lowest and best bid for a particular location or type of material (LGC 262.027(e)).

When only one bid is received by the County, the bid may be accepted if the Commissioners' Court determines the price is fair and reasonable. If the price is not fair and reasonable, Commissioners' Court will reject and seek new bids.

If two or more responsible bidders submit identical bids, the bid award will be made in a manner prescribed by the County Judge.

After award of a contract but before the contract is made, the Purchasing Agent may negotiate a modification of the contract, if the modification is in the best interests of the County and does not substantially change the scope of the contract or cause the contract to exceed the next lowest bid. The Purchasing Agent will forward the modification to Commissioners' Court for approval before it may become effective (LGC 262.0305).

- H. Surety Bonds (LGC 262.032/GC 2253) – A vendor awarded a contract may be required to post bond. If it is required, the Purchasing Agent will include the requirement in the bid advertisement. A bid bond in an amount not less than 5% of the total contract price may be required if a contract involves construction of public works or is a contract that exceeds \$100,000. A performance bond may be required for all contracts in excess of \$50,000 (LGC 262.032).

A public works contract for more than \$25,000 shall require the contractor to execute a payment bond and contract in excess of \$100,000 shall require the contractor to execute a performance bond (GC 2253.021). Montgomery County may not require a bond for public works contracts for \$25,000 or less (GC 2253.022).

- I. Acquisition of item after bid award – Following award of the bid contract by the Commissioners' Court, the purchase order is processed in the manner described in this purchasing policy.
- J. Change Order – A change order may be required when it becomes necessary to make changes after performance of the contract has commenced. All change orders require Commissioners' Court approval according to the provisions of LGC 262.031.

SUBJECT: FEDERAL PURCHASING REQUIREMENTS

Policy 3.3: Federal Procurement Guidelines

Any solicitations utilizing Federal funds shall follow the process detailed in Section 3.2 above and all requirements as stated in 2 CFR 200 to include but limited to the following:

- A. 2 CFR § 200.318 General procurement standards. (a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section. (b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. (c) (1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity. (2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. (d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. (e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal government, the non-Federal entity is

encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. (f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. (g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost. (h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. (i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. (j)(1) The non-Federal entity may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to a non-Federal entity is the sum of: (i) The actual cost of materials; and (ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit. (2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls. (k) The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

B. 2 CFR § 200.319 Competition. (a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to: (1) Placing unreasonable requirements on firms in order for them to qualify to do business; (2) Requiring unnecessary experience and excessive bonding; (3) Noncompetitive pricing practices between firms or between affiliated companies; (4) Noncompetitive contracts to consultants that are on retainer contracts; (5) Organizational conflicts of interest; (6) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and (7) Any arbitrary action in the procurement process. (b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. (c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations: (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and (2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals. (d) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-

Federal entity must not preclude potential bidders from qualifying during the solicitation period.

- C. 2 CFR § 200.320 Methods of procurement to be followed. The non-Federal entity must use one of the following methods of procurement. (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable. (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. (c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply. (1) In order for sealed bidding to be feasible, the following conditions should be present: (i) A complete, adequate, and realistic specification or purchase description is available; (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price. (2) If sealed bids are used, the following requirements apply: (i) The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids; (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond; (iii) All bids will be publicly opened at the time and place prescribed in the invitation for bids; (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and (v) Any or all bids may be rejected if there is a sound documented reason. (d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally

used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply: (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;(2) Proposals must be solicited from an adequate number of qualified sources;(3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;(4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and(5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort. (e) [Reserved](f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:(1) The item is available only from a single source;(2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;(3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or(4) After solicitation of a number of sources, competition is determined inadequate.

- D. 2 CFR § 200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms. (a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.(b) Affirmative steps must include:(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

- E. 2 CFR § 200.322 Procurement of recovered materials. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- F. 2 CFR § 200.323 Contract cost and price. (a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals. (b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. (c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles. (d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.
- G. 2 CFR § 200.324 Federal awarding agency or pass-through entity review. (a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal

awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.(b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:(1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;(2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;(3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;(4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.(c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.(1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis; (2) The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

- H. 2 CFR § 200.325 Bonding requirements. For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:(a) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified. (b) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond"

is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract. (c) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

I. 2 CFR § 200.326 and 2 CFR Part 200, Appendix II, Required Contract Clauses:

Requirements under the Uniform Rules. A non-Federal entity’s contracts must contain the applicable contract clauses described in Appendix II to the Uniform Rules (Contract Provisions for non-Federal Entity Contracts Under Federal Awards), which are set forth below. 2 CFR § 200.326. For some of the required clauses we have included sample language or a reference a non-Federal entity can go to in order to find sample language. Please be aware that this is sample language only and that the non-Federal entity alone is responsible ensuring that all language included in their contracts meets the requirements of 2 CFR § 200.326 and 2 CFR Part 200, Appendix II. We do not include sample language for certain required clauses (remedies, termination for cause and convenience, changes) as these must necessarily be written based on the non-Federal entity’s own procedures in that area.

1. Remedies.

a. Standard: Contracts for more than the simplified acquisition threshold (\$150,000) must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. See 2 CFR Part 200, Appendix II, ¶ A.

b. Applicability: This requirement applies to all FEMA grant and cooperative agreement programs.

2. Termination for Cause and Convenience.

a. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement. See 2 CFR Part 200, Appendix II, ¶ B.

b. Applicability. This requirement applies to all FEMA grant and cooperative agreement programs.

3. Equal Employment Opportunity.

a. Standard. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR § 60-1.3 must include the equal opportunity clause provided under 41 CFR § 60-1.4(b), in accordance with Executive Order 11246, Equal Employment Opportunity (30 Fed. Reg. 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, Amending Executive Order 11246 Relating to Equal Employment Opportunity, and implementing regulations at 41 CFR Part 60 (Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor). See 2 CFR Part 200, Appendix II, ¶ C.

b. Key Definitions.

(1) Federally Assisted Construction Contract. The regulation at 41 CFR § 60-1.3 defines a “federally assisted construction contract” as any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the Government or borrowed on the credit of the Government pursuant to any Federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, or any application or modification thereof approved by the Government for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.

(2) Construction Work. The regulation at 41 CFR § 60-1.3 defines “construction work” as the construction, rehabilitation, alteration, conversion, extension, demolition or repair of buildings, highways, or other changes or improvements to real property, including facilities providing utility services. The term also includes the supervision, inspection, and other onsite functions incidental to the actual construction.

c. Applicability. This requirement applies to all FEMA grant and

cooperative agreement programs.

d. The regulation at 41 CFR Part 60-1.4(b) requires the insertion of the following contract clause:

“During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as

a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.”

4. Davis Bacon Act and Copeland Anti-Kickback Act.

a. Applicability of Davis-Bacon Act. The Davis-Bacon Act only applies to the emergency Management Preparedness Grant Program, Homeland Security Grant Program, Nonprofit Security Grant Program, Tribal Homeland Security Grant Program, Port Security Grant Program, and Transit Security Grant Program. It does not apply to other FEMA grant and cooperative agreement programs, including the Public Assistance Program.

b. All prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. §§ 3141-3144 and 3146-3148) as supplemented by Department of Labor regulations at 29 CFR Part 5 (Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction)). See 2 CFR Part 200, Appendix II, ¶ D.

c. In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors' must be required to pay wages not less than once a week.

d. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

e. In contracts subject to the Davis-Bacon Act, the contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. §3145), as supplemented by Department of Labor regulations at 29 CFR Part 3 (Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States). The Copeland AntiKickback Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all

suspected or reported violations to FEMA.

f. The regulation at 29 CFR § 5.5(a) does provide the required contract clause that applies to compliance with both the Davis-Bacon and Copeland Acts. However, as discussed in the previous subsection, the Davis-Bacon Act does not apply to Public Assistance recipients and subrecipients. In situations where the Davis-Bacon Act does not apply, neither does the Copeland “Anti-Kickback Act.” However, for purposes of grant programs where both clauses do apply, FEMA requires the following contract clause:

“Compliance with the Copeland “Anti-Kickback” Act.

(1) Contractor. The contractor shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 CFR pt. 3 as may be applicable, which are incorporated by reference into this contract.

(2) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clause above and such other clauses as the FEMA may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

(3) Breach. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 CFR § 5.12.”

5. Contract Work Hours and Safety Standards Act.

a. Applicability: This requirement applies to all FEMA grant and cooperative agreement programs.

b. Where applicable (see 40 U.S.C. § 3701), all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations at 29 CFR Part 5. See 2 CFR

Part 200, Appendix II, ¶ E.

c. Under 40 U.S.C. § 3702, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week.

d. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

e. The regulation at 29 CFR § 5.5(b) provides the required contract clause concerning compliance with the Contract Work Hours and Safety Standards Act:

“Compliance with the Contract Work Hours and Safety Standards Act”

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of

Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work

in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The (write in the name of the Federal agency or the loan or grant recipient) shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.”

6. Rights to Inventions Made Under a Contract or Agreement.

a. Stafford Act Disaster Grants. This requirement does not apply to the Public Assistance, Hazard Mitigation Grant Program, Fire Management Assistance Grant Program, Crisis Counseling

Assistance and Training Grant Program, Disaster Case Management Grant Program, and Federal Assistance to Individuals

and Households – Other Needs Assistance Grant Program, as FEMA awards under these programs do not meet the definition of “funding agreement.”

b. If the FEMA award meets the definition of “funding agreement” under 37 CFR § 401.2(a) and the non-Federal entity wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the non-Federal entity must comply with the requirements of 37 CFR Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements), and any implementing regulations issued by FEMA. See 2 CFR Part 200, Appendix II, ¶ F.

c. The regulation at 37 CFR § 401.2(a) currently defines “funding agreement” as any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal government. This term also includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph.

7. Clean Air Act and the Federal Water Pollution Control Act. Contracts of amounts in excess of \$150,000 must contain a provision that requires the contractor to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. §§ 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. §§ 1251-1387). Violations must be reported to FEMA and the Regional Office of the Environmental Protection Agency. See 2 CFR Part 200, Appendix II, ¶ G.

a. The following provides a sample contract clause concerning compliance for contracts of amounts in excess of \$150,000:

“Clean Air Act”

(1) The contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.

(2) The contractor agrees to report each violation to the (name of the state agency or local or Indian tribal government) and understands and agrees that the (name of the state agency or local or Indian tribal government) will, in turn, report each violation as required to assure notification to the (name of recipient), Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

“Federal Water Pollution Control Act”

(1) The contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.

(2) The contractor agrees to report each violation to the (name of the state agency or local or Indian tribal government) and understands and agrees that the (name of the state agency or local or Indian tribal government) will, in turn, report each violation as required to assure notification to the (name of recipient), Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.

(3) The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.”

8. Debarment and Suspension.

a. Applicability: This requirement applies to all FEMA grant and cooperative agreement programs.

b. Non-federal entities and contractors are subject to the debarment and suspension regulations implementing Executive Order 12549,

Debarment and Suspension (1986) and Executive Order 12689, Debarment and Suspension (1989) at 2 CFR Part 180 and the Department of Homeland Security's regulations at 2 CFR Part 3000 (Nonprocurement Debarment and Suspension).

c. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs and activities. See 2 CFR Part 200, Appendix II, ¶ H; and Procurement Guidance for Recipients and Subrecipients Under 2 CFR Part 200 (Uniform Rules): Supplement to the Public Assistance Procurement Disaster Assistance Team (PDAT) Field Manual Chapter IV, ¶ 6.d, and Appendix C, ¶ 2 [hereinafter PDAT Supplement]. A contract award must not be made to parties listed in the SAM Exclusions. SAM Exclusions is the list maintained by the General Services Administration that contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. SAM exclusions can be accessed at www.sam.gov. See 2 CFR § 180.530; PDAT Supplement, Chapter IV, ¶ 6.d and Appendix C, ¶ 2.

d. In general, an "excluded" party cannot receive a Federal grant award or a contract within the meaning of a "covered transaction," to include subawards and subcontracts. This includes parties that receive Federal funding indirectly, such as contractors to recipients and subrecipients. The key to the exclusion is whether there is a "covered transaction," which is any nonprocurement transaction (unless excepted) at either a "primary" or "secondary" tier. Although "covered transactions" do not include contracts awarded by the Federal Government for purposes of the nonprocurement common rule and DHS's implementing regulations, it does include some contracts awarded by recipients and subrecipient.

e. Specifically, a covered transaction includes the following contracts for goods or services:

- (1) The contract is awarded by a recipient or subrecipient in the amount of at least \$25,000.
- (2) The contract requires the approval of FEMA, regardless of amount.

(3) The contract is for federally-required audit services.

(4) A subcontract is also a covered transaction if it is awarded by the contractor of a recipient or subrecipient and requires either the approval of FEMA or is in excess of \$25,000.

d. The following provides a debarment and suspension clause. It incorporates an optional method of verifying that contractors are not excluded or disqualified:

“Suspension and Debarment

(1) This contract is a covered transaction for purposes of 2 CFR pt. 180 and 2 CFR pt. 3000. As such the contractor is required to verify that none of the contractor, its principals (defined at 2 CFR § 180.995), or its affiliates (defined at 2 CFR § 180.905) are excluded (defined at 2 CFR § 180.940) or disqualified (defined at 2 CFR § 180.935).

(2) The contractor must comply with 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(3) This certification is a material representation of fact relied upon by (insert name of subrecipient). If it is later determined that the contractor did not comply with 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C, in addition to remedies available to (name of state agency serving as recipient and name of subrecipient), the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(4) The bidder or proposer agrees to comply with the requirements of 2 CFR pt. 180, subpart C and 2 CFR pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.”

9. Byrd Anti-Lobbying Amendment.

- a. Applicability: This requirement applies to all FEMA grant and cooperative agreement programs.
- b. Contractors that apply or bid for an award of \$100,000 or more must file the required certification. See 2 CFR Part 200, Appendix II, ¶ I; 44 CFR Part 18; PDAT Supplement, Chapter IV, 6.c; Appendix C, ¶ 4.
- c. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. § 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. See PDAT Supplement, Chapter IV, ¶ 6.c and Appendix C, ¶ 4.
- d. The following provides a Byrd Anti-Lobbying contract clause: “Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.”

APPENDIX A, 44 CFR PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements (To be submitted with each bid or offer exceeding

\$100,000) The undersigned [Contractor] certifies, to the best of his or her knowledge, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an 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, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this 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. 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 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). 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.

The Contractor, _____ certifies or affirms the truthfulness and accuracy of each statement of its

certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

Signature of Contractor's Authorized Official

Name and Title of Contractor's Authorized Official

Date

10. Procurement of Recovered Materials.

- a. Applicability: This requirement applies to all FEMA grant and cooperative agreement programs.
- b. A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, Pub. L. No. 89-272 (1965) (codified as amended by the Resource Conservation and Recovery Act at 42 U.S.C. § 6962). See 2 CFR Part 200, Appendix II, ¶ J; 2 CFR § 200.322; PDAT Supplement, Chapter V, ¶ 7.
- c. The requirements of Section 6002 include procuring only items designated in guidelines of the EPA at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- d. The following provides the clause that a state agency or agency of a political subdivision of a state and its contractors can include in contracts meeting the above contract thresholds:

“(1) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA designated items unless the product cannot be acquired—

- (i) Competitively within a timeframe providing for compliance with the contract performance schedule;
- (ii) Meeting contract performance requirements; or
- (iii) At a reasonable price.

(2) Information about this requirement, along with the list of EPA designates items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensiveprocurement-guideline-cpg-program>."

11. Additional FEMA Requirements.

a. The Uniform Rules authorize FEMA to require additional provisions for nonfederal entity contracts. FEMA, pursuant to this authority, requires or recommends the following:

b. Changes. To be eligible for FEMA assistance under the non-Federal entity's FEMA grant or cooperative agreement, the cost of the change, modification, change order, or constructive change must be allowable, allocable, within the scope of its grant or cooperative agreement, and reasonable for the completion of project scope. FEMA recommends, therefore, that a non-Federal entity include a changes clause in its contract that describes how, if at all, changes can be made by either party to alter the method, price, or schedule of the work without breaching the contract. The language of the clause may differ depending on the nature of the contract and the end-item procured.

c. Access to Records. All non-Federal entities must place into their contracts a provision that all contractors and their successors, transferees, assignees, and subcontractors acknowledge and agree to comply with applicable provisions governing Department and FEMA access to records, accounts, documents, information, facilities, and staff. See DHS Standard Terms and Conditions, v 3.0, ¶ XXVI (2013).

d. The following provides a contract clause regarding access to records:

"Access to Records. The following access to records requirements apply to this

contract:

(1) The contractor agrees to provide (insert name of state agency or local or Indian tribal government), (insert name of recipient), the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

(2) The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

(3) The contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.”

12. DHS Seal, Logo, and Flags.

a. All non-Federal entities must place in their contracts a provision that a contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval. See DHS Standard

Terms and Conditions, v 3.0, ¶ XXV (2013).

b. The following provides a contract clause regarding DHS Seal, Logo, and Flags: “The contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA preapproval.”

13. Compliance with Federal Law, Regulations, and Executive Orders.

a. All non-Federal entities must place into their contracts an acknowledgement that FEMA financial assistance will be used to fund the contract along with the requirement that the contractor will comply with all applicable federal law, regulations, executive orders, and FEMA policies, procedures, and directives.

b. The following provides a contract clause regarding Compliance with Federal Law, Regulations, and Executive Orders: “This is an

acknowledgement that FEMA financial assistance will be used to fund the contract only. The contractor will comply with all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.”

14. No Obligation by Federal Government.

a. The non-Federal entity must include a provision in its contract that states that the Federal Government is not a party to the contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

b. The following provides a contract clause regarding no obligation by the Federal Government: “The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.”

15. Program Fraud and False or Fraudulent Statements or Related Acts.

a. The non-Federal entity must include a provision in its contract that the contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to its actions pertaining to the contract.

b. The following provides a contract clause regarding Fraud and False or Fraudulent or Related Acts: “The contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the contractor’s actions pertaining to this contract.”

9.4.10 Procedures for Federal purchases follows Section 9.2 in addition Purchasing obtains an Independent Cost Estimate (ICE) from the requesting department and solicitation must include any and all required Federal clauses and language.

SUBJECT: SPECIAL PURCHASES

Policy 4.1: Special Purchases

- A. Acquisition Under a Blanket Purchase Order – A blanket purchase order authorizes a County department to obtain up to a specified amount of material (services or supplies) on a continuing basis from a vendor. Such purchase orders are authorized only by the Purchasing Agent in appropriate circumstances, e.g., obtaining rock as needed in variable quantities by the Precinct. Any department foreseeing a definite and regular need for items should consider contacting Purchasing to investigate obtaining a blanket purchase order for such items.

Blanket purchase orders anticipated to exceed \$50,000 during the course of a year must be competitively procured. No blanket purchase order may exceed budgeted funds for such purchases by the department.

- B. Request for Proposal Procedure (LGC 262.030) – Various items may be purchased through a "request for proposal" (RFP) process. An RFP may be used for insurance, high technology items and other special services. If indicated by the Purchasing Agent, an RFP may be used for any procurement determined to be in the best interest of the County. Professional services other than architectural and engineering services may be obtained through this process.
- C. Construction Projects (GC 2269) – A competitive bid or competitive sealed proposal may be used as a procurement method for contracting and delivery procedures for construction projects or public works.
- D. Request for Qualifications (GC 2254.004) – A Request for Qualifications (RFQ) may be issued for Architectural and Engineering Services in compliance with GC 2254.004.
- E. Emergency Purchasing (LGC 262.024) – Emergency purchases are authorized in extremely limited circumstance: (a) in the event of public calamity for the benefit of the County citizens or to protect public property; (b) in order to protect the public health or safety of County residents; or (c) when made necessary by unforeseen damage to public property. Depending upon the time of the emergency and type of purchase necessary, one of the following procedures should be followed:
1. Elected official, or authorized representative, must take the necessary action to obtain the needed goods or services and contact the Purchasing Department in writing as soon as possible with notice of such purchase. Commissioners' Court must grant an exemption from procurement of all emergency purchases over \$50,000.
 2. Emergency during working hours – (a) If the purchase is less than \$50,000 , approval from Purchasing is required by issuance of a purchase order prior to acquiring the item; or (b) If the purchase is in excess of or equal to \$50,000, Purchasing must obtain approval of Commissioners' Court by order that grants the exemption.
- F. Sole-Source Purchases (LGC 262.024(a)(7)) – Typical items considered sole source purchases include patented or copyrighted material, secret processes, natural monopolies,

utility services, captive replacement parts or components for equipment, and films, manuscripts or books. Such items may be purchased from a sole source without competitive procurement only after the Purchasing Agent, in writing, after concurrence of the department head, certifies the existence of only one source to the Commissioners' Court and the Court enters a finding of such in its minutes (LGC 262.024(c)).

- G. Personal Property Sold (LGC 262.024) - Personal property sold at an auction by a state licensed auctioneer; at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; or by a political subdivision of the state, a state agency of this state, or an entity of the federal government may be purchased without competitive procurement, if exempted by order of Commissioners' Court.

SUBJECT: SPECIAL PURCHASES

Policy 4.2: Emergency Purchases

- A. Emergency purchases are authorized in extremely limited circumstance (LGC 262.024):
 - 1. in the event of public calamity for the benefit of the County citizens or to protect public property;
 - 2. in order to protect the public health or safety of County residents;
 - 3. when made necessary by unforeseen damage to public property.
- B. Depending upon the time of the emergency and type of purchase necessary, one of the following procedures should be followed:
 - 1. After hours emergency – in such instances the department head or elected official, or authorized representative, must take the necessary action to obtain the needed goods or services and contact the Purchasing Department in writing as soon as possible with notice of such purchase. Commissioners' Court must grant an exemption from bidding of all emergency purchases over \$50,000.
 - 2. Emergency during working hours – If the purchase is less than \$50,000, approval from Purchasing is required by issuance of a purchase order. Purchasing will obtain approval from Commissioners' Court for the exemption.

SUBJECT: COOPERATIVE PURCHASES

Policy 5.1: Enabling Authority

- A. Vernon's Texas Statutes and Codes Annotated ("VTCA") Government Code Chapter 791 – Inter-local Cooperation Act - Allows local governments to contract with and between each other, to provide governmental functions and services, and to join together in contracting with others to provide goods and services.
- B. VTCA Local Government code Chapter 271, Subchapter D, §§271.081.083 – State Cooperation in Local Purchasing Program – Allows a local government to purchase goods on the state's purchasing contracts, and allows the state to solicit bids on the local government's behalf, when considered feasible by the Texas Procurement and Support Services Division (TPASS) or TXSmart Buy. TPASS is also required to provide information and technical assistance to local governments about the purchasing program.
- C. Local Government Code ("LGC") Chapter 262 – Purchasing and Contracting authority of counties.
- D. VTCA Local Government Code Chapter 271, Subchapter F, §271.102 – Cooperative Purchasing Participation.
 - 1. A local government may participate in a cooperative purchasing program with another local government of this state or another state or with a local cooperative organization of this state or another state.
 - 2. A local government that is participating in a cooperative purchasing program may sign an agreement with another participating local government or a local cooperative organization stating that the signing local government will: (1) designate a person to act under the direction of, and on behalf of, that local government in all matters relating to the program; (2) make payments to another participating local government or a local cooperative organization or directly to a vendor under a contract made under this subchapter, as provided in the agreement between the participating local government or between a local government and a local cooperative organization; and (3) be responsible for a vendor's compliance with provisions relating to the quality of items and terms of delivery, to the extent provided in the agreement between the participating local government or between a local government and a local cooperative organization.
 - 3. A local government that purchases goods or services under this subchapter satisfies any state law requiring the local government to seek competitive bids for the purchase of the goods or services.
- E. VTCA Local Government Code Chapter 271, Subchapter G. Purchases from federal schedule sources of supply; §271.103 – Federal Supply Schedule Sources.
 - 1. A local government may purchase goods or services available under Federal supply schedules of the United States General Services Administration (GSA) to the extent permitted by federal law.

2. A local government that purchases goods or services under this subchapter satisfies any state law requiring the local government to seek competitive bids for the purchase of the goods or services.

SUBJECT: PROCUREMENT CARDS

Policy: 6.1 General Policy

A. PURPOSE

To establish a methodology for use and to define the limits of use of County issued Procurement Cards provided to certain personnel in order to make purchases of goods and/or services in work stoppage situations, for routine supplies, or approved on-line purchases.

B. PROCUREMENT CARDS FORMS

1. 6.2 – Employee Card Agreement
2. 6.3 – Dispute Report
3. 6.4 – Affidavit of Receipt for Goods and/or Services

C. GENERAL

1. DEFINITIONS

- a. *Vendor:* A company (partnership, sole proprietorship, or corporation) from which a cardholder is purchasing materials and/or equipment or services under the provisions of this procedure.
- b. *Cardholder:* Personnel who have been authorized to use a Procurement Card and who are authorized to make purchases in accordance with these procedures.
- c. *Department Procurement Card Coordinator:* The person responsible for all program details, including all cardholder inquiries.
- d. *Statement of Account:* This is the monthly listing of all transactions by the cardholder, issued electronically by the bank and distributed to the cardholder.
- e. *Card Issuer Account Manager:* Managing representative from the bank who issues the Procurement Card.
- f. *Unauthorized Purchase:* Any use of the Procurement Card that does not comply with all requirements of this policy.
- g. *Procurement Card Administrator:* Purchasing Department representative.
- h. *Original Transaction Documentation:* Onsite documented evidence of procurement.

D. PROCEDURE:

1. INTRODUCTION:

- a. This program is being established in order to provide a more rapid turnaround of requisitions for low-dollar value goods and to reduce paperwork and handling costs. By using the Procurement Card you dramatically shorten the payment cycle from the traditional requisition process. The traditional process includes pricing inquiry, order placement, delivery of goods, invoice and voucher review.

Those individuals who have been issued Procurement Cards may now initiate transactions in person or by telephone, within the limits of this procedure and receive goods. Under certain circumstances, internet purchases may be made but **must first be approved by the Office of the Purchasing Agent with the exception of travel arrangements (hotel, airfare, car rental, and registration fees in accordance with Montgomery County Travel Policy)**. This program also relieves employees and officials of the burden of using personal funds to pay material travel and training expenses such as lodging, airfare, rental car, and registration. Payments to vendors are made via the MasterCard settlement system. Accounts payable will make monthly settlements with the Bank.

2. DEPARTMENT PROCUREMENT CARD COORDINATOR:

- a. Elected Officials/Department Heads must designate a department procurement card coordinator to oversee their department's expenditures and receipts.
- b. Department procurement card coordinators are responsible for receiving transaction documentation, matching transaction documentation and submitting to the Auditor's Office for payment. The Department Head, or authorized supervisor signature/approval of a cardholder's monthly statement, indicates that the cardholder was authorized to make those purchases/charges and those purchases/charges were made in accordance with the applicable procedures. The cardholder shall review the monthly statements and secure his/her authorized supervisor's approval ***within two (2) working days of receipt***. Approved monthly statements along with the charge receipts and the release, should be forwarded ***immediately*** to the County Auditor for payment processing.
- c. Department procurement card coordinators will contact the Procurement Card Administrator to order new cards, cancel cards or request limit changes on the card.

3. RECEIVING A PROCUREMENT CARD

- a. Elected Officials/Department Heads and managers may propose personnel to be cardholders by having their department procurement card coordinator oversee the completion of the employee card agreement form and submission to the Procurement Card Administrator.
- b. The proposed cardholder shall be issued a copy of this procedure and shall be required to sign an Employee Card Agreement. The Agreement indicates that the cardholder understands the procedure and the responsibilities of a cardholder.
- c. The Procurement Card Administrator shall maintain all records of Procurement Card requests, limits, and lost/stolen/destroyed card information.

4. AUTHORIZED PURCHASING CARD USE

- a. The unique Procurement Card that the cardholder receives will have his/her name embossed on it and shall **ONLY** be used by the cardholder. **NO OTHER PERSON IS AUTHORIZED** to use that card. The cardholder may make transactions on behalf of others in their department with the approval of a supervisor

authorized to approve such purchases. However, the cardholder is responsible for all use of their card.

- b. Use of the Procurement Card shall be limited to the following conditions:
- i. **No single item purchased** shall exceed \$999.99 and **no single transaction** shall exceed \$2,000.00. Payment of a purchase **SHALL NOT** be split into multiple transactions to stay within the limit.
 - ii. All items purchased “over the counter” must be immediately available at time of Procurement Card use. No backordering of merchandise is allowed.
 - iii. All credit card purchases require prior approval from Purchasing Department.
 - iv. Spending limits and commodity restrictions must be adhered to.
 - v. Cardholders shall be prepared to show a valid driver's license, along with the card and **tax exempt form**, at the time of purchase. Cardholders will be responsible for seeking credit on any taxes charged or will be personally responsible for reimbursement of those taxes.
 - vi. Office supplies, purchased from our awarded contract vendor, are the only credit card purchases than can be made on the internet (on-line) unless prior approval has been received from the Purchasing Department.
 - vii. The card may be used for making the following Travel/Education Expenses:
 - Airfare and baggage fees
 - Lodging (excluding incidentals)
 - Car rental
 - Parking reservations
 - Shuttle services (tips may not be charged to P-Card)
 - Taxi fares (tips may not be charged to P-Card)
 - Conference/Seminar Registration
 - Travel expenses paid with the P-card must also be reported on the Travel Payment Requisition form and submitted to the County Auditor within sixty (60) days.
 - viii. Telephone purchases made with the card must have prior approval from the Purchasing Department.
 - ix. 4Routine Purchases are small value items where the use of Procurement Card System is more efficient for products or when the vendor will not accept a purchase order.
 - x. Fuel may be purchased while on official business only when traveling in County vehicle and not in possession of a fuel card. Only exception is if all County fuel sites are out of service. Vehicle Maintenance will notify Procurement Card Administrator if a fuel site is inoperable.

- c. EMERGENCY PURCHASES – Procurement cards specifically designated for purchases occurring during an emergency as declared by the appropriate authorities are available in the Purchasing Department on an as needed basis.

5. UNAUTHORIZED PROCUREMENT CARD USE

- a. The Procurement Card **SHALL NOT BE USED** for the following:
 - i. Any commodity or service not expressly authorized by Purchasing to the cardholder.
 - ii. Personal purchases or purchases for family members or friends.
 - iii. Entertainment expenses, meals or incidentals
 - iv. Travel expenses for non-County related business.
 - v. **Food or beverages, including room service.**
 - vi. Cash Advances.
 - vii. Telephone calls/monthly service (non-county related).
 - viii. Fuel for non-County related trips.
 - ix. Alcoholic Beverages.
 - x. Item(s) or service(s) purchased via the Internet.
 - xi. Any additional items/services as may be restricted by County policy or State Statutes
- b. A cardholder transaction that fails to comply with the current Montgomery County Policy while using their Procurement Card will qualify as an unauthorized purchase and will be borne as a personal expense by the cardholder.
- c. A cardholder who makes unauthorized purchases or carelessly uses the Procurement Card will be liable (without the option for reimbursement) for the total dollar amount of such unauthorized purchases plus any administrative fees charged by the Bank or other associated costs in connection with the misuse. Any cardholder that incurs two (2) unauthorized purchases and/or failures to follow procurement card procedures within a twelve (12) month period may have card revoked by Procurement Card Administrator. The cardholder may also be subject to disciplinary action, up to and including termination.

6. MAKING A PURCHASE

- a. Each cardholder is responsible for ensuring the transaction will be accurately executed before completion of the transaction. To achieve this, the cardholder will utilize the following “checklist” when making a purchase (before and during the transaction):
 - i. Coordinate with Purchasing to determine if vendors and prices have already been established for the required goods.

- ii. Assure that **sales taxes** are not added to the purchase. You must require that the supplier remove any sales tax before completing the transaction. If you are executing an on-line transaction, you must review the transaction before submission. If the supplier refuses to honor the County's tax-exempt status, you may not use the Procurement Card for the purchase. The two (2) exceptions to this requirement are hotel occupancy taxes and fuel taxes, which are allowable charges to the Procurement Card.
- iii. Convenience fees are an allowable charge on the Procurement Card if charged when incurred from another public entity (cities, counties, state agencies). These fees are also allowed when the only form of payment requires a convenience fee (such as PayPal).
- iv. Once a vendor is designated and that vendor confirms that the product or service is available which meets the specification and delivery requirements, take the following steps.
 - a. Confirm that the vendor agrees to accept the credit card.
 - b. Direct the vendor to include the following information on the packing list/shipping label:
 - i. Cardholder's name and telephone number;
 - ii. Complete delivery address;
 - c. It is extremely important that all purchases be sent to the cardholder ordering the merchandise, as this will ensure that the documents necessary for record keeping are readily available to the cardholder.
 - d. If necessary advise the individual within your area who receives merchandise of the vendor's name and order number, anticipated delivery date, number of boxes expected, carrier (UPS, Fed Ex, etc.). The receiver must notify the actual cardholder when delivery is made so that proper documentation is recorded.

7. CARDHOLDER RECORD KEEPING

- a. Whenever a Procurement Card purchase is made, either over the counter or by telephone, original detailed/itemized documentation shall be retained as proof of the purchase. Such documentation will be used to verify the purchases listed on the cardholder's statement of account.
- b. When the purchase is made over the counter, the cardholder shall retain the "customer" copy of the charge receipt. Prior to signing this receipt, the cardholder is responsible for making sure that the vendor lists the quantity, and fully describes the item(s) on the charge receipt.
- c. When making a purchase by telephone or internet, the cardholder shall also document the transaction, confirmation number, subsequent detailed/itemized invoice, and all shipping documentation.

8. REVIEW AND SUBMISSION OF TRANSACTION DOCUMENTATION

- a. The Department Procurement Card Coordinator shall prepare and submit the documentation (packing slip, invoice, cash register tape and Procurement Card slips, etc.) provided by the cardholder on the document submission form to the Auditor's Office.
 - i. At the end of each billing cycle, the Department Procurement Card Coordinator will download a monthly statement from the credit card web-site that lists the cardholder's transaction(s) for that period.
 - ii. The cardholder shall check each transaction listed against his/her receipts. The original sales documents (invoice, cash register tape, packing slip, or credit card slips, etc.) for all items listed on the monthly statement **MUST** be attached to the statement along with the release. This data attachment is critical to enable audit substantiation. ***IF THIS ROUTINE IS NOT ADHERED TO, THE PROCUREMENT/TRAVEL CARD MAY BE REVOKED.*** The careful matching of complete support documents to the statement is vital to the successful use of this program.
 - iii. The Department Head, or authorized supervisor signature/approval of a cardholder's monthly statement, indicates that the cardholder was authorized to make those purchases/charges and those purchases/charges were made in accordance with the applicable procedures. The cardholder shall review the monthly statements and secure his/her authorized supervisor's approval ***within two (2) working days of receipt.*** Approved monthly statements along with the charge receipts and the release, should be forwarded ***immediately*** to the County Auditor for payment processing.
 - iv. If transaction(s) or credit(s) are not listed on the monthly statement, the appropriate transaction documentation shall be RETAINED by the cardholder until the next monthly statement. If the transaction(s) or credit(s) do not appear on the statement within sixty (60) days after the date of transaction(s), the cardholder or authorized supervisor shall notify the Credit Card Company.
- b. The Auditor's Office shall reconcile the cardholder's transaction documentation to the activity and confirm the following items as a minimum:
 - i. Detailed/itemized receipts exist for each purchase.
 - ii. The goods were received or the services were performed.
 - iii. The cardholder has complied with applicable procedures, including this Procurement Card procedure.
 - iv. The Department signs each Blanket PO release form ensuring each transaction was authorized and executed in accordance with the applicable policies and procedures.
- c) The original detailed/itemized sales documents (i.e. packing slip, invoice, cash register receipt, etc.) for all purchases **MUST** be neatly attached to the Blanket PO release form and submitted to the Auditor's Office. Each Blanket PO release form

must include: department name; last 4 numbers of card; transaction date; transaction description; vendor number and/or vendor name; accounting distribution; and Department signature. This data is critical to enable audit substantiation. **IF THIS PROCEDURE IS NOT ADHERED TO, the transaction may be considered an unauthorized purchase resulting in card revocation upon the second occurrence within a 12 month period.**

- d) If the cardholder does not have documentation of a transaction the cardholder shall attach a signed affidavit of receipt for goods and/or services that includes the vendor's name, transaction date, transaction amount, and a description of the item(s) purchased.
- e) For all unauthorized purchases the cardholder must remit a full reimbursement by check or money order to the Treasurer's Office; include a copy of the payment and Treasurer's receipt with the statement submitted to the Auditor's Office.
- f) Procurement Card Returns – If the wrong item is received, is not satisfactory, or damaged and/or defective, duplicate order, etc., the cardholder shall make contact with the vendor to explain the problem to inquire about return policies.
- g) When disputing a charge the cardholder shall:
 - i. First contact Vendor in an effort to determine a resolution. If that does not correct the issue:
 - ii. The cardholder shall contact Department Procurement Card Coordinator who will then contact the Procurement Card Administrator.
 - iii. Complete a Dispute Report and submit same to the Department Procurement Card Coordinator who will then submit to the Procurement Card Administrator. Immediate action to resolve a dispute is of extreme importance.
 - iv. If an item has been returned and a credit voucher received, the cardholder shall verify to the Auditor's Office that this credit will be reflected on the monthly statement. **Under no circumstances are cardholders to accept a cash refund.**
- h) If items purchased by the use of the procurement Card are found to be unacceptable, the cardholder is responsible for obtaining replacement or correction of the item immediately. If the vendor has not replaced or corrected the item within ten (10) business days, then the purchase of that item will be considered in dispute.

9. CARD SECURITY

- a. It is the cardholder's responsibility to safeguard the Procurement Card and account number/PIN to the same degree that a cardholder safeguards his/her personal credit information.
 - i. The cardholder must not allow anyone to use their account number/PIN. A violation of this trust will result in that cardholder having their card withdrawn and disciplinary action may occur.

- b) If the Procurement Card is lost or stolen the cardholder shall immediately notify Department Procurement Card Coordinator who in turn will notify the Procurement Card Administrator.
- c) A new Procurement Card shall be promptly issued to the cardholder after the reported loss or theft. A Procurement Card that is subsequently found by the cardholder after being reported lost shall be destroyed.
- d) Failure to notify the Department Procurement Card Coordinator or Procurement Card Administrator of a lost or stolen Procurement Card immediately may result in procurement card program revocation and disciplinary action.

10. CARDHOLDER SEPARATION

- a) Prior to separation from the County or transfer to another department, the cardholder shall surrender the Procurement Card to Department Procurement Card Coordinator. Upon receipt, the Department Procurement Card Coordinator shall deliver to the Procurement Card Administrator. Please be aware that the responsibility for the card remains with the cardholder/Department Head until it has been received by the Procurement Card Administrator.

SUBJECT: PROCUREMENT CARDS

Policy: 6.2 Employee Agreement – P Card

EMPLOYEE CARD AGREEMENT

Montgomery County Procurement Card Policy and Procedures

I, _____, hereby request a Procurement Card through the County's Procurement Card Program. As a cardholder, I agree to comply with the following terms and conditions regarding card utilization.

I understand that I am being entrusted with the Procurement Card and will be making financial commitments on behalf of the County.

I understand that the County is liable to the card issuer for all charges made on the card. I understand that I am personally liable for all charges not in compliance with this Agreement or with the Montgomery County Procurement Card Policy Procedures.

I agree to use the Procurement Card for purchases in compliance with the Procedures and agree not to make personal purchases or any purchase in violation of the policy set forth in the Procedures. I understand that the County Auditor and/or Procurement Card Administrator will audit the use of the Procurement Card and that appropriate actions will be taken to enforce this Agreement and violations of the Procedures. Failure to follow the Procedures may result in the revocation of my use of the Procurement Card and other possible disciplinary actions.

I have received a copy of the Procedures and understand the requirements of the use of the Procurement Card. I agree to return the Procurement Card immediately upon request or upon termination of my employment (including retirement).

If the Procurement Card is lost or stolen, I agree to notify the Department Procurement Card Coordinator immediately. I further agree to safeguard the Procurement Card in the same manner that I safeguard my personal financial items and information, such as cash, checks and credit cards. If the Procurement Card is used in a manner not authorized by the Procedures, I agree to notify the Department Procurement Card Coordinator immediately.

I understand that the burden of proof will be upon me to show that the items purchased were made in compliance with the policy as set forth in the Procedures. I agree to comply with competitive procurement policies and will obtain the best value when using the Procurement Card to make a purchase.

Purchases made in violation of the policy as set forth in the Procedures will subject me to personal liability for the total dollar amount of such unauthorized purchase(s). I agree and understand that violations may be subject to adverse employment disciplinary action, up to and including termination.

Employee Signature *Employee #* *Date* *Department Name and Number*

Elected Official/Department Head Signature *Print Name* *Date*

SUBJECT: PROCUREMENT CARDS

Policy: 6.3 Dispute Report

DISPUTE REPORT

In accordance with the Montgomery County Procurement Card Program procedures, the listed product/service is in dispute:

Item Ordered:	_____
Date Ordered:	_____ Date Received:_____
Authorized Amount:	_____ Statement Amount:_____
Vendor:	_____

Last 4 of Card Number:	_____
Cardholder Name:	_____
Phone Number:	_____ Department:_____
Department Account:	_____

Reason for Dispute:_____

Actions taken to Remedy:_____

Employee Signature

Print Name

Date

SUBJECT: PROCUREMENT CARDS

Policy: 6.4 Affidavit of Receipt

**AFFIDAVIT OF RECEIPT FOR
GOODS AND/OR SERVICES**

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §

Before me, the undersigned authority, on this day personally appeared _____, who, being by me duly sworn, upon oath deposes and says:

THAT the affiant is not in possession of any documents (or document is illegible) to evidence receipt of the goods and/or services paid by Montgomery County with the _____ procurement card account last 4 of card # _____, statement dated ____/____/20__ for the following charge:

- Vendor: _____
 - Transaction Date: _____
 - Transaction Amount: \$ _____
 - Item(s) Purchased: _____
- _____
- _____

THAT the affiant and/or his Precinct/Department, did receipt all goods and/or services purchased with the aforementioned charge;

THAT all goods and/or services were received for the sole use and/or benefit of Montgomery County, Texas, or other purposes authorized by Statute and/or Commissioners' Court,

THAT, if any statements contained herein are found to be false, the affiant shall guarantee and protect Montgomery County, Texas, from any financial loss;

THAT affiant is duly qualified and authorized to make this affidavit and is fully cognizant of matters herein set out.

Signature of Affiant: _____

SUBSCRIBED AND SWORN TO BEFORE ME this _____ day of _____, 20____.

NOTARY PUBLIC
Montgomery County, Texas

{seal}

My commission expires: _____



MONTGOMERY COUNTY PURCHASING DEPARTMENT PURCHASING POLICY MANUAL

SUBJECT: COUNTY PROPERTY

Policy 7.1: County-Owned Supplies and Equipment

All County-owned supplies, equipment and machinery must be used only for County business or other governmental function. Elected Officials and Department Heads are responsible for the proper accounting for, maintenance of and use of County equipment.

- A. Receipt of New Property - Capital Assets - New property will be tagged for inventory purposes by Purchasing. The Purchasing Department will tag all furniture, equipment and other property considered as capital assets according to the Capitalization Policy as follows:
 - 1. Factors to be considered in determining items to be capitalized are as follows:
 - a. The expected normal useful life is one year or more.
 - b. The item has a unit cost of \$5,000 or more. Unit costs should include any charges for freight or installation. Computer Software is an exception to the capitalization policy and should be included in the Computer Supply line item.
 - c. The item is such that it is normally used in sets or multiple units, which as a collective unit, has a total value in excess of that established as the minimum and which otherwise satisfy requirements of a fixed property, e.g. tool sets, etc.
 - 2. Factors to be considered in determining items, which should be excluded from capitalization, are as follows:
 - a. Item is such that it requires regular replacement because of rapid wear.
 - b. Item is such that one-time use of it will destroy the item for further usefulness.
 - c. Items which are installed or otherwise added to an existing fixed asset here such additions are required merely to return the item to functioning product, e.g. engine overhauls, replacement of lens in cameras of closed

circuit TV units.

- B. Elected Official and Department Head Responsibility- Each Elected Official and Department Head is responsible for the custody and care of county property assigned to their respective department. County property may be used only for County purposes. Each Elected Official and Department Head is responsible for ensuring that assets are tracked and secured in a manner that is most likely to prevent theft, loss, damage or misuse of assets. Care shall be taken to insure all necessary precautions are in place so that assets are secured.

- C. Controlled Property - Each Elected Official and Department Head shall maintain control over property not defined under the capitalization policy, yet considered high-risk items. High-risk items include, but are not limited to, weapons, electronics, tools, and computer peripherals. Internal procedures, including physical inventories, shall be established by each Elected Official or Department Head to track such items.

The Department of Information Technology shall maintain an inventory of all computer equipment for the purpose of tracking and maintenance. This inventory does not absolve Elected Officials and Department Heads from the responsibility of assuring stewardship of the property or the reporting requirements for the property.

- D. Transfer of Property (LGC 262.011(j)) - The Purchasing Agent is authorized by Commissioners Court to transfer supplies, materials and equipment among the various County departments. The transfer or trade of any equipment (not limited to capital items) from one department to another must be handled through Purchasing. In the event an item is no longer required, the department will notify the Purchasing Department using the Inventory Transfer Form. The Purchasing Department will direct appropriate action to be taken.

It is the responsibility of the transferring department to assure that the department receiving the property immediately acknowledges receipt of the property. Until the receiving department acknowledges receipt by signing the transfer form, the property shall remain on the inventory of the transferring agency.

The Purchasing Department and other departments are encouraged to make inquiries as to unused or unneeded equipment in the possession of other departments, but the decision as to whether the property is unneeded ultimately rests with the Purchasing Agent as authorized by Commissioners Court.

- E. Missing Property - Lost or stolen property must be reported immediately. The Elected Official or Department Head must make reports of loss or theft in writing to the Purchasing Agent and the Risk Manager.
- F. Disposal of Surplus or Salvage Property (LGC 263, Subchapter D) - Commissioners Court will periodically authorize the Purchasing Agent to dispose of

"surplus" (in excess of needs, but still useful) or "salvage" (valueless property) properties. Surplus or salvage property may be sold by competitive bid or auction by the Purchasing Agent as provided in Section 263 of the Local Government Code. Surplus and salvage property is not limited to capital items as defined herein.

County employees will be given the same opportunity afforded to other persons to bid on and purchase surplus properties offered for sale at auctions.

No Purchasing Department employees or their immediate family may bid on property sold through a Sealed Bid Sale. Purchasing Department employees may not knowingly purchase or receive merchandise through a third party through a Sealed Bid Sale.

Montgomery County may sell surplus or salvage property to another county or a political subdivision within the county, or offer the property as a trade-in for new property of the same general type. Commissioners Court may order the property to be destroyed or disposed of if no bids are received from a public auction or sealed bid sale. Property that has become obsolete or considered waste may be deleted from the department's inventory records upon approval of the Purchasing Agent.

- G. Annual Inventory – The Purchasing Agent shall complete a physical inventory of all property belonging to the County and shall, on July 1 of each year, file the results of the inventory with the County Auditor and Commissioners Court. The inventory shall include all capitalized property identified in Subsection A.

Adopted by Commissioners Court - 12/19/2017



MONTGOMERY COUNTY PURCHASING DEPARTMENT PURCHASING POLICY MANUAL

SUBJECT: EXCLUDED PARTIES

Policy: 8.1 Federal Debarred Vendors

- A. No purchase utilizing Federal funds may be made from vendors that are currently included on the Federal Excluded Parties List Systems for Award Management (SAM).

Contracts will not be awarded to any party that has been debarred, suspended, excluded or ineligible for participation in federal assistance programs.

In the event an awarded party or their subcontractor(s) become debarred, suspended, excluded or ineligible for participation in federal assistance programs after award of contract, the awarded contract shall be cancelled without notice.

- B. The following requirement shall be included in the Invitation to Bid or Request for Proposal documents if the expected purchase with Federal funds.

Certification of Eligibility: By submitting a bid or proposal in response to this solicitation, the bidder/proposer certifies that at the time of submission, he/she is not on the Federal Government's list of suspended, ineligible, or debarred contractors. In the event of placement on the list between the time of bid/proposal submission and time of award, the bidder/proposer will notify the Montgomery County Purchasing Agent. Failure to do so may result in terminating this contract for default.



MONTGOMERY COUNTY PURCHASING DEPARTMENT PURCHASING POLICY MANUAL

SUBJECT: GRANTS

Policy: 9.1 General Policy

Grants should be administered via a written contractual agreement between the County and the party providing the service. All purchases made with grant monies will comply with the terms and conditions of the grant, as well as the County's procedures regarding all purchases. **The department is responsible to provide the Purchasing Department a copy of all procurement requirements in the grant document in a timely manner.**

Prior to awarding any contracts, the Purchasing Department shall check the Federal Excluded Parties List System for Award Management (SAM), the State Comptroller's Website and the HUD website to verify that the vendor does not have a debarred status. The debarment results documents are included in the file.

When making purchases through a requisition process and using grant funds the Purchasing Department shall first check the below sites to verify the vendor to be used by the County is not debarred.

- GSA Federal Excluded Parties List System for Award Management (SAM)
<https://www.sam.gov/portal/SAM/#1>
- HUD
https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp
- State Comptroller of Texas
http://comptroller.texas.gov/procurement/prog/vendor_performance/debarred/

Prior to the item(s) being purchased using the County Procurement card or by a blanket release, departments are responsible to review the aforementioned websites to ensure vendor(s) are not debarred and retain for future reference. This rule applies only when items are purchased using grant funds.



MONTGOMERY COUNTY PURCHASING DEPARTMENT PURCHASING POLICY MANUAL

SUBJECT: LEGAL BASIS FOR PURCHASING

Policy: 10.1 Statutory References

It is not intended that this section be all-inclusive of the laws governing the County purchasing function.

A. Government Code (GC), Chapter 2254 – Professional Services Procurement Act

Counties may not bid contracts for professional services; it must select the most highly qualified provider for requested services and then negotiate a contract. Contracts must be awarded on the basis of "demonstrated competence and qualification to perform the service." Fees must be "fair and reasonable," consistent with and not in excess of published recommended practices and fees of applicable professional organizations, and not in excess of any maximums specified by state law. "Professional services" includes services within the scope of the practice of: accounting, architecture, land surveying, optometry, medicine or professional engineering; this includes services performed by any licensed architect, land surveyor, optometrist, physician, surgeon, certified public accountant or registered professional engineer in connection with his or her professional employment or practice.

B. Local Government Code (LGC) Chapter 271, Subch. D – Purchase Under State Contract

The State Purchasing and General Services Administration may perform purchasing services for local governments (including counties). A County which purchases under state contract satisfies all competitive bidding laws.

Per Article 601b, Section 3.081, the State Purchasing and General Services Administration may perform purchasing services regarding the sale or lease of automated information systems using "catalogue purchasing procedures". A vendor must apply for and receive certification by the General Services Administration in order for them to participate in catalogue purchasing. Once certified, the County may compare various vendor's catalogue pricing in order to determine the lowest and most responsible vendor for the automated information system related purchase.

C. LGC Chapter 171 – Conflict of Interest

Ownership of certain property or business interests may require that a local public official refrain from participation in votes or decisions and/or refrain from certain acts if the vote, decision or act involves the business interests or property owned by the public official or by a person related to the public official within the first degree of consanguinity or affinity.

"Local public official" includes members of the County governing body or other County officers, whether elected or appointed, paid or unpaid.

Citations to “articles” are to Tex. Rev. Civ. Stat. Ann.: citations to “Code” or “section” are to the newly codified Local Government Code.

D. LGC Chapter 262, Subch. B – County Purchasing Agent

Montgomery County Commissioners’ Court employs the Purchasing Agent under the provisions of LGC 262.0115. Under the supervision of Commissioners’ Court, the Purchasing Agent shall carry out the functions prescribed by law for a purchasing agent under Section 262.011 in regard to County purchases and contracts and shall administer procedures prescribed by law for notice and public bidding for county purchases and contracts.

The County Purchasing Agent "shall" purchase all supplies, materials and equipment required or used by the County and "shall" contract for all repairs to County property, and supervises all purchases made by competitive bid.

It is unlawful for any other person, firm or corporation, other than the County Purchasing Agent, to purchase any supplies, materials or equipment or to contract for repairs to property used by the County, except those purchases made within the purview of other applicable law [Section 262.011(d)]. The County Auditor may not pay for any purchase unless that purchase has been made by the County Purchasing Agent or by competitive bid as required by law. Id. (f).

In order to prevent unnecessary purchases, the County Purchasing Agent shall transfer any County supplies, materials and equipment from any department not needing them to another department requiring them.

E. LGC Chapter 262, Subch. C – County Purchasing Act (Competitive Bidding)

This subsection of the Local Government Code contains the comprehensive County purchasing statute. Procedures must be strictly complied with except for certain specific exemptions enumerated in the statute. These include certain emergencies and cases involving sole suppliers.

All separate, sequential or component purchases of items are treated as parts of a single purchase or contract. Id. 262.023(c). Any County officer or employee who intentionally or knowingly makes or authorizes separate, sequential or component purchases in avoidance of the competitive bidding requirements of section 262.023 is guilty of a CLASS B misdemeanor. Automatic and immediate removal of the officer or employee from his County office or position results upon final conviction. Id. 262.034 and 262.035.

F. LGC Chapter 263, Subch. D – Disposition of Salvage or Surplus Property

Surplus property is property in excess of needs, but property that still has some usefulness. Salvage property is defined as property having no value for the purpose for which it was originally purchased. The Purchasing Agent may sell surplus or salvage property by competitive bid or by auction. It also may be offered as a trade-in on new property of the same general type. If the property cannot be sold or traded, the property can be donated to a civic or charitable organization located in the County or destroyed.

G. LGC Chapter 271, Subch. C – Certificates of Obligation

Certificates of Obligation (COB) are alternative financing instruments and may be issued for the payment of contractual obligations to be incurred in: 1) public works construction, 2) materials, supplies, equipment, machinery, buildings, land and rights-of-way for authorized needs and purposes, 3) professional services, 4) constructing or equipping a jail, 5) constructing, renovating, or otherwise improving a County-owned building, and 6) bridge construction. Purchases financed with COBs are subject to all bid and advertising requirements.

H. GC Chapter 791.025 – Interlocal Cooperation Contracts

Montgomery County may agree with another local government or with a state agency, including the State Purchasing and General Services Administration to purchase goods and services.

I. Disclosure of Interested Parties

Per Government Code, Statute §2252.908, effective January 1, 2016 all contracts executed by Commissioners' Court, regardless of the dollar amount, will require completion of Form 1295 "Certificate of Interested Parties" by the participating vendor. Form 1295 is also required for any and all contract amendments, extensions or renewals. Vendors are required to visit the Texas Ethics Commissions (TEC) website (https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm) and file a 1295 Certificate. After filing the form with TEC, it must be printed, signed and notarized and submitted to Purchasing by the Vendor. Form is then submitted to Commissioners' Court by Purchasing.

J. Government Code (CG) Chapter 2269 – Contracting for Construction Projects

This chapter applies to a public work contract made by a governmental entity authorized by state law to make a public work contract. Except as provided by this Section, this chapter prevails over any other law relating to a public work contract (Sec. 2269.003).

Per Chapter 2269 Subchapter C – Competitive bidding method (Sec. 2269.101) Contract for facilities: Competitive bidding. In this chapter, “competitive bidding” is a procurement method by which a governmental entity contracts with a contractor for the construction, alteration, rehabilitation, or repair of a facility by awarding the contract to the lowest responsible bidder.

Per Chapter 2269 Subchapter D – Competitive sealed proposal method (Sec. 2269.151) Contract for facilities: Competitive sealed proposals. In this chapter, “competitive sealed proposals” is a procurement method by which a governmental entity requests proposals, ranks the offerors, negotiates as prescribed, and then contracts with a general contractor for the construction, alteration, rehabilitation, or repair of a facility.



MONTGOMERY COUNTY PURCHASING DEPARTMENT PURCHASING POLICY MANUAL

SUBJECT: CODE OF ETHICS

Policy: 11.1 General Ethical Standards

Public employment is a public trust. It is the policy of Montgomery County Purchasing to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by Montgomery County. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering public service.

Public employees must discharge their duties impartially so as to assure fair and competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the Montgomery County Purchasing Department. Montgomery County employees will avoid the appearance of unethical or compromising practices in relationships, actions, and communications.

- A. It shall be a breach of ethics to attempt to realize personal gain through public employment with Montgomery County by any conduct inconsistent with the proper discharge of the employee's duties.
- B. It shall be a breach of ethics to attempt to influence any public employee of Montgomery County to breach the standards of ethical conduct set forth in this code.
- C. It shall be a breach of ethics for any employee of Montgomery County to participate directly or indirectly in procurement when the employee knows that:
 - 1. the employee or any member of the employee's immediately family has a financial interest pertaining to the procurement;
 - 2. a business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
 - 3. any other person, business or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.
 - 4. If such conflicts of interest exist, the employee shall notify the Purchasing Agent in writing and remove him/herself for the County procurement process.
- D. It shall be a breach of ethics to offer, give or agree to give any employee or former employee of Montgomery County, or for any employee or former employee of Montgomery County to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase

request, influencing the content or any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before this government.

- E. It shall be a breach for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for Montgomery County, or any person associated therewith, as an inducement for the award of a subcontract to order.
- F. The prohibition against gratuities and kickbacks prescribed above shall be conspicuously set forth in every contract and solicitation therefore.
- G. It shall be a breach of ethics for any employee or former employee of Montgomery County knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person. Employees will keep County procurement information obtained from an RFP or RFQ confidential until after contract award if the solicitation provides for it to be kept secret.



MONTGOMERY COUNTY PURCHASING DEPARTMENT PURCHASING POLICY MANUAL

SUBJECT: PURCHASING AUTHORIZATION

Policy: 12.1 General Policy

A Purchasing Authorization Form must be signed by the authorization department head for each person having authority to approve purchases for his/her department. This form will be kept on file in the Purchasing Department.

The Purchasing Authorization Form indicates that the person having the authority to approve purchases for their department has read and understands the Purchasing Policy and will abide by the guidelines, restrictions, and duties enumerated therein.

(See 12.2 Authorization Form)

SUBJECT: PURCHASING AUTHORIZATION

Policy: 12.2 Purchasing Authorization Form

PURCHASING AUTHORIZATION FORM

I have been authorized to approve request for purchases for

(Department Name and Department Number)

In connection with that authorization, I certify that I have read and understand the Purchasing Policy and will abide by the guidelines, restrictions, and duties enumerated therein.

Name:

(Please Print Name)

(Signature)

Date:

Approval: _____
(Department Head/Elected Official Signature)

EXHIBIT A
MONTGOMERY COUNTY
Architectural, Engineering and Surveying Contract Award Guidelines



MONTGOMERY COUNTY PURCHASING DEPARTMENT PURCHASING POLICY MANUAL

OVERVIEW

General

Selection of any provider of architectural, engineering or surveying services will be accomplished by utilizing these guidelines as feasible and practicable as determined by the Montgomery County Commissioners' Court. The intent of these guidelines is to establish procedures for consistency and efficiency in the selection process. The selection procedures address the following topics:

- Solicitation of Proposals
- Evaluation Process
- Contract Negotiation
- Contract Execution
- Contract Administration

These guidelines comply with the Professional Procurement Act, Chapter 2254 of the Texas Government Code, Title 10.

Project Initiation

After a project, or group of projects, has been approved by Commissioners' Court, Purchasing will proceed to initiate the selection process utilizing these guidelines. For all services estimated over the statutory bid amount, Commissioners' Court shall select the most highly qualified firm as established in these guidelines.

For services required under the statutory bid amount where the project has been previously approved by Commissioners' Court, Purchasing may work with the department requiring the services to prepare a comparative analysis of qualified firms. Purchasing shall issue a letter to the firm which has been determined most qualified requesting a defined scope of work and proposed cost. The department and Purchasing shall negotiate the scope and cost and issue a purchase order for the services.

SOLICITATION OF QUALIFICATIONS

Preliminary Information

Prior to soliciting qualifications, the department requiring the services will prepare the following items which will become part of the Request for Qualifications packet:

- Prepare the scope of work:
- Must reflect clear, accurate, and detailed description of the technical requirements for services to be rendered;
- Identify items to be provided by the county, as appropriate.

- Identify evaluation factors, such as but not limited to:
 - Qualifications
 - Similar work experience
 - Work load
 - Past performances
 - Staffing capabilities
 - Other appropriate qualification-based criteria

Solicitation

The county shall solicit proposals by:

- Notifying interested firms on the county's bid list and on the Internet, and all interested parties are allowed to respond.
- Solicitations may be grouped for several projects at one time (bond issues, tax notes, etc.) and selections may be made for individual projects through the single solicitation. Such solicitations require language in the specifications indicating multiple projects.

Request for Qualifications

- Scope of work
- Evaluation factors, including weighted criteria
- Method of payment
- Request for submission of qualification statements
- Sufficient length of time to prepare and submit required documents
- Sample standard contract acceptable to Montgomery County

EVALUATION PROCESS

Evaluation Process

The county will:

- Establish standing evaluation committees, at a minimum, as follows:

Architectural Services:

Purchasing Department

Facilities

End User (dependent on individual project)

Engineering Services – County Roads:

Purchasing Department

Public Works/Engineering

Commissioner Representative per Precinct

Engineering Services – State and Non-County Roads:

Purchasing Department

Public Works/Engineering

- Evaluate proposals and rank firms on pre-determined criteria identified in the RFQ.

- Select the highest ranked firm and prepare a recommendation for Commissioners' Court approval.
- Purchasing shall issue a letter to the firm which has been determined the most highly qualified requesting a defined scope of work and proposed cost. Committee begins negotiation of scope and cost.

CONTRACT NEGOTIATION

Negotiation of Contract

The committee shall:

- Negotiate the contract amount with the highest ranked provider
- Use one of the following methods of payments:
 - Unit cost
 - Lump sum
- Evaluate the technical aspects of the cost proposal
- If applicable, verify that the current pay rates, overhead rates, or other cost information

Ending Negotiations

If the sponsoring agency is unable to reach an agreement on fair and reasonable cost, Commissioners' Court may formally end negotiations with the number one firm and proceed to the second highest ranked provider.

If negotiations are unsuccessful with second highest ranked provider, the agency will proceed through the provider list in ranked order, until an award is made.

CONTRACT EXECUTION

Review and Approval of Contract

The committee:

- Reviews the contract for form and content
- Verifies the scope is consistent with that submitted with the approved project submission
- Verifies that proposed costs are fair and reasonable
- Recommends Commissioners' Court proceed with contract execution.



MONTGOMERY COUNTY
PURCHASING DEPARTMENT
PURCHASING POLICY MANUAL

EXHIBIT B
MONTGOMERY COUNTY
Grants Administration and Accounting
Policy and Procedures

MONTGOMERY COUNTY, TEXAS



Grants Administration and Accounting Policy and Procedures

Prepared By:

Montgomery County

Auditor & Purchasing Agent

Approved in Commissioners Court 6/12/2018

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Montgomery County, Texas

Grants Administration and Accounting

Policy and Procedures

I. DEFINITION AND PURPOSE

Occasions arise in which problems cannot be solved with existing County resources, but might be suitable areas for seeking grant funds. It is the practice of the County to be proactive in identifying problems in which the pursuit of supplemental funding sources would be optimal. Projects funded in whole or in part with grant money are not independent of County operations and should not be created simply in reaction to a notice of availability of funds, whatever the source.

For the purpose of this policy, a grant is an award of financial assistance in the form of money, property, or other financial assistance paid or furnished by the federal government, the state government, other local government, a nonprofit foundation or organization, a local business, or an individual that the County has the ability to accept or reject.

The intent of this policy is to assist in providing accurate, current and complete disclosure of the program and financial results of each federal and state grant within the existing budgetary accounting and reporting framework. The grant procedures outlined in this document are meant to provide the following:

1. Ensure that federal and state awards are properly authorized by Commissioners' Court.
2. Ensure proper oversight of all funds appropriated to the County.
3. Minimize the County's risk of non-compliance in accordance with the provisions of the federal Office of Management and Budget Circulars and other federal and state laws.
4. Ensure proper administration and accounting of all grants.

II. SCOPE

This grant administration and accounting policy and procedures is applicable to all federal and state grants awarded to any Montgomery County program, department, Elected Official, or division preparing and submitting grant applications to agencies outside the County government for funds, materials, or equipment to be received and administered by the County or by an agency for which the County acts as fiscal agent.

The goals and objectives of the County departments should be established early in the planning process and should not change based on changes in availability of different funding sources sought and received. The existence of grant funds does not exempt County personnel or project staff from conducting project activities in accordance with County policies and procedures which govern fiscal

processes, hiring of personnel, employee travel, etc. Policies and regulations for federal and state grants are in addition to, not replacement for, County policies and procedures.

No grant will be accepted that will incur management reporting costs greater than the grant amount. Therefore, in order for a grant to provide an overall financial benefit to the County, any grant that a County department applies for or requests from a grantor shall have a minimum award value of \$2,500.00 (Exhibit A). There shall be no exceptions to this stipulation. Any unapproved submittal by any County program, department, Elected Official, or division in violation of these grant procedures shall not bind the County.

III. RESPONSIBLE PARTIES

Montgomery County is the official recipient of all grants and Commissioners' Court must give approval for all grant applications, amendments, modifications, and agreements. However, the Court may delegate authority to sign grant-related documents to the requesting department head or project manager. Requests for such authorization must be submitted to the Court for approval prior to award execution.

GRANTS ADMINISTRATOR AUTHORITY

The Grants Administrator oversees the administration of several State and Federal grants. The grants cover a wide range of activities, including training, equipment, planning, infrastructure repairs, and emergency response and recovery efforts. The Grants Administrator shall provide oversight, offer information, technical assistance, and guidance on the grant processes. The Grants Administrator will work extensively with the programmatic areas throughout the different departments to ensure programs are delivered efficiently and effectively. The Grants Administrator works closely with the Grants Reporting Accountant and Grant Manager in the initiating department and is responsible for maintaining and managing the overall grants administration process to ensure a smooth, streamlined workflow from grant invitation through grant closure.

The Grants Administrator is responsible for:

1. Researching grant funding opportunities.
2. Coordinating with the Grants Reporting Accountant and Grant Manager to ensure an accurate, timely, efficient and transparent process for the entire grant life cycle, from proposal to close.
3. Assisting the initiating department in compiling and preparing applications on time and in accordance with the funding agency's instructions.
4. Reviewing and approving grant application and award packets before they are submitted to Commissioners' Court.
5. Grants Administrator will put all grant applications, grant application amendments/changes or any grant related items through Commissioners Court.
6. Communicating with the initiating department to develop and maintain documents pertaining to grant awards.

Responsibility for programmatic administration of the grants within County government rests with the department that applied for the grant. The department seeking grant funds will maintain the programmatic records for all grants.

The initiating County department is responsible for:

1. Coordinating with the Grants Administrator and Grants Reporting Accountant throughout the planning, application, and implementation process.
2. Filing applications on time and in accordance with the funding agency's instructions.
3. Providing a copy of the final grant application and if awarded, fully executed agreement to The Grants Administrator and Grants Reporting Accountant.
4. Managing grant funds in accordance with the same policies and procedures as those required of County funds and in accordance with the funding agency's guidelines/requirements.
5. Managing the project in accordance with regulations and deadlines of the funding agency.
6. Providing copies of progress reports and evaluations to the Grants Administrator and Grants Reporting Accountant.
7. Processing invoices in a timely manner for accurate billing and financial accounting.

ACCOUNTING, MONITORING AND FINANCIAL REPORTING AUTHORITY

The County Auditor is the financial officer for Montgomery County. The County Auditor's Office, specifically the Grants Reporting Accountant, is responsible for maintaining the financial records and ensuring compliance with federal and state accounting and reporting requirements for all grants awarded to Montgomery County. The County Auditor's Office will maintain the financial records for all grants in order to facilitate management reporting and overall monitoring. The County Auditor's office will review expenditures for obvious non-compliance and will act as liaison with independent auditors. All County programs, departments, Elected Officials, and divisions shall submit any/all grant information required by the Auditor's office to carry out its oversight responsibilities.

The Grants Reporting Accountant within the County Auditor's Office is responsible for:

1. Preparation and/or review of financial reports for accuracy and compliance with grant accounting policies and procedures.
2. Review/preparation of accounting spreadsheets, journal entries, and reports for grant managers and administrators as needed.
3. Preparation of indirect cost schedules and journal entry, if applicable.
4. Consulting with grant managers and administrators on budget issues and provide support, including assistance with budget preparation.
5. Communicating with federal, state and other granting agencies when necessary to coordinate grant financial process.
6. Preparation of the annual A-133 audit report and assist with year-end audit requirements.
7. Reviewing grant applications for grant terms and County funding requirements prior to submission for Commissioners' approval.
8. Maintaining accurate and up-to-date records on current and pending grants.
9. Monitoring the grant process and assisting with the process of deobligating grants when complete.
10. Reviewing and processing contracts relative to grants.

IV. GOVERNING LAWS AND REGULATIONS

FEDERAL

1. 2 CFR part 200 (Super Circular)- *Uniform Administrative Requirements, Costs Principles, & Audit Requirements for Federal Awards* issued by the Office of Management and Budget

STATE

1. Texas Administrative Code
2. Uniform Grant Management Standards issued by the Governor's Office of Budget and Planning

V. GRANT APPLICATION AND ACCEPTANCE PROCEDURES

The grant application section includes all functions associated with obtaining a grant when an application of any format is required. Most of these are the responsibility of the originating department, which includes locating grant sources, determining the appropriateness of the grant to the County and preparation of the agenda packet. This section applies to all grant applications whether they are hard-copy or electronic.

The following procedures should be followed:

1. Department Heads and Elected Officials are to complete and sign a grant cover sheet (Exhibit B) and submit it with any proposal or application documents to the Grants Administrator for review in a timely manner to be put on the next available Commissioners' Court. The Grants Administrator will review the documents and, if approved, forward them to the Grants Reporting Accountant in the County Auditor's Office for review of the proposal budget and match source. The Grants Reporting Accountant will determine if the documents may need to be reviewed by the Contract Review Committee or the County Attorney. The Grants Reporting Accountant will return the cover sheet and documents, if approved, to the Department Head or Elected Official for submission to the Commissioners' Court.
2. The Grants Administrator is to submit the executed grant cover sheet and all financial assistance documents, i.e. proposals, applications, to the Commissioners' Court for consideration and approval prior to submission to the funding agency.
3. Department Heads and Elected Officials may make adjustments, additions, or corrections to any proposal or application that is not approved by the Grants Administrator or the Grants Reporting Accountant and re-submit them for approval.
4. If approved by Commissioners' Court, the Department Heads and Elected Officials are to submit the proposals or applications per the funding agency's requirements by surface mail, delivery service, email or other electronic means. Documents for which original signatures are required may be retrieved from the County Clerk 24 hours after Commissioners' Court.

5. The Grants Administrator is to present any grant award documents or amendments/changes to Commissioners' Court for acceptance.
6. The Grants Administrator and the Grants Reporting Accountant will make every effort to offer a speedy review of submitted requests. Involvement of the Grants Administrator and the Grants Reporting Accountant during the development of the proposal or application is encouraged. In order to make for the smoothest possible review process, Department Heads and Elected Officials are requested to provide all documentation for review at least two (2) weeks prior to the targeted Commissioners' Court date.

VI. GRANT AWARD PROCEDURES

The grant award section includes the initial accounting procedures required when a grant is awarded. Most of these functions will be processed by the Grants Reporting Accountant and includes communicating with the funding agencies, establishing revenue and expenditure departments/accounts and providing the County departments with information relating to the grant.

The following procedures should be followed:

1. The grant is awarded by the funding source or by acceptance of a grant offer by the Commissioners' Court.
2. The original copy of the fully executed grant award will be maintained by the County Clerk with a certified copy going to the County Auditor and Initiating Department for their own respective files.
3. Upon receipt of the fully executed grant agreement, the Grants Reporting Accountant shall do the following:
 - A. Prepare a grant file which will contain data relating to the various requirements of the grant, summarizes the general and specific requirements needed for compliance, sets up a time table for completion of grant requirements and report filing, and includes all expenditure reports and revenue data. This file will be made available for inspection by the internal, independent, and any federal and state auditors.
 - B. Ensure that the grant is established in the financial system. This will include the creation of a grant department, account numbers for revenues and expenditures and the processing of a budget amendment.
 - C. Update the Grants Listing with information concerning the grant. The Grants Listing will be used to generate the Schedule of Expenditures of Federal and State Awards.
 - D. Communicate with the Grants Administrator and Grant Manager the information regarding the grant set-up.

VII. GRANT REPORTING PROCEDURES

The grant reporting section relates to the functions dealing with the monthly, quarterly and yearly accounting and reporting requirements. The County Auditor's Office is responsible for providing financial reports to grantors. The County Auditor's Office will work in conjunction with the recipient departments in order to facilitate the orderly, timely and accurate accounting, reporting and auditing of federal and state transactions.

The Grants Administrator is responsible for providing technical assistance in the required programmatic reports. The Grant Administrator will work in conjunction with the recipient departments in order to facilitate the orderly, timely and accurate programmatic reporting of federal and state reports as required.

VIII. NEW PERSONNEL

Any new personnel positions to be created as a result of grant funding must be approved by the Commissioners' Court and properly classified by Human Resources. The County Auditor's Office will promptly notify HR of any coding changes needed for those persons being charged to grants since grant codes may change each year.

Where employees are 100% federally funded by a grant, salaries and wages will be supported by semi-annual certifications stating that the employee worked solely on that program for the period covered by the certification. The certification must be signed by the supervisory official having firsthand knowledge of the work performed by the employee. Where employees are partially federally funded, their daily tasks must be listed on Daily Activity Logs provided by the grantor to support the percentage of time spent working on the grant. Distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards. For example, someone working 75% out of federal funding and 25% out of local funding must complete the daily activity log to substantiate the percentages.

IX. GRANT RELATED PROCUREMENT

The department's purchasing agent must be notified that federal funds are involved for all purchases with federally funded grants, regardless of the dollar amount involved.

Any purchases, of any amount, made with Federal grant funds must comply with the following requirement:

A copy of the required certification related to the suspension and disbarment of the vendor MUST be obtained before any funds are spent. This copy must be kept with the paid invoice claim. This information is available on the System for Award Management web page and can be accessed at the following address: <http://www.sam.gov/>. From there, go to Search Records at the top left of the page, and search for the vendor by name. There will be a message showing whether or not the selected vendor is excluded. If excluded, the selected vendor may not be utilized. If there are no records matching the search request, the vendor may be utilized, assuming all other purchasing and grant requirements have been met. In either case, print out the pages for the grant file, to show compliance with this requirement.

Grantees should follow the County's and/or grantor's policies and procedures for all practices including procurement for the selection of contractors and vendors. If grant applications have special conditions, a copy of such must be given to the purchasing agent for assistance in compliance monitoring. If grant guidelines require grantees to abide by different procurement procedures other than those adopted by the County, the grantee should resolve the situation with the Purchasing Department prior to submitting the application. As a rule, the 10 federal and state regulations prevail unless they are less restrictive

than County policies; in which case the County policy prevails. A copy of the Purchasing Manual can be found on the County's Intranet page.

The Fixed Asset Auditor also needs to be notified so that assets acquired using federal funds can be properly identified. Equipment items purchased with Federal Funds that cost \$5,000 or more are to be tagged when purchased so that proper disposal procedures can be followed when items are sold or sent to surplus. Federal equipment should be inventoried at least every 2 years in order to be properly safeguarded against theft, damage, or loss. Also, land purchases made with grant funds often have land use restrictions which will be discussed with the County Attorney's office to ensure restriction compliance. When assets acquired with Federal Funds are no longer used in the grant program (i.e., grant has expired, asset was lost, stolen, or damaged, or asset became idle) the grantor must be notified. The Federal Government may be due a portion of the proceeds for equipment items with a book value of \$5,000 or more at the time of disposition. If the federal agency is compensated for the current fair market value of the item, the equipment may be retained by the agency.

X. LIQUIDATION PERIOD AND GRANT CLOSE-OUT PROCEDURES

The Grant Manager will ensure that all funds are expended or encumbered prior to the end of the grant period in order for funds to be used adequately and not lost in future award periods.

The Grant Manager with assistance from the Grants Administrator is responsible for submitting a project completion packet to Commissioners' Court in the event that remaining funds need to be de-obligated. In addition, they are responsible for submitting the final federal or state programmatic report to the granting agency. The Grants Reporting Accountant is responsible for submitting the final federal or state financial report to the granting agency.

XI. RECORDS RETENTION

The County must retain all grant related documents for a specified amount of time. If grant retention policies conflict with County regulations, the federal and state regulations will prevail unless they are less restrictive than County policies; wherein the County policy prevails. For specific requirements and further guidance on records retention please visit the following website: <https://www.tsl.texas.gov/slr/recordspubs/gr.html>.

XII. FRAUD POLICY

Montgomery County is committed to the safeguarding of public assets and preventing fraud, waste and abuse. The intent of this grant administration and accounting policy and procedures is to set guidelines in order to ensure proper oversight of federal and state funds and to maintain a fair, ethical, and honest business environment for all County employees, customers, suppliers and anyone else with whom the County has a relationship. Fraud not only involves loss of revenue, but decreased morale and productivity.

Fraud encompasses an array of irregularities and illegal acts characterized by internal or external deception. Examples of fraud include, but are not limited to:

1. Any dishonest or fraudulent act.
2. Forgery or alteration of any document or account belonging to the County.
3. Forgery or alteration of a check, bank draft, or any other financial document.
4. Misappropriation of funds, securities, supplies, or other assets including chemicals, fuel, tires, use of County equipment, personal use of computers, and telephones.
5. Impropriety in the handling or reporting of money or financial transactions.
6. Profiteering as a result of insider knowledge of County activities.
7. Disclosing confidential and/or proprietary information to outside parties.
8. Disclosing to other person's securities activities engaged in or contemplated by the County.
9. Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the County.
10. Accepting or seeking anything of material value from property owners, tax consultants, or others who may be affected by the County's discharge of its statutory duties.
11. Destruction, removal or inappropriate use of records, furniture, fixtures, vehicles, and equipment.
12. Any similar or related irregularity to those specified above.
13. Inappropriate disclosure or use of private information protected by privacy laws.

Elected Officials/Department Heads are responsible for the implementation and maintenance of effective internal controls. The internal audit division is responsible for assisting in the deterrence of fraud by examining and evaluating the adequacy and effectiveness of the internal controls.

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is in progress. An employee who discovers or suspects fraudulent activity involving only County employees or suspects fraudulent activity involving both County employees and third parties (such as vendors, independent contractors, consultants, or employees with other agencies, etc.) should make a prompt report to the First Assistant District Attorney at the Montgomery County District Attorney's Office. An employee who discovers or suspects fraudulent activity involving non-County personnel such as a vendor, independent contractor, consultant, or employees with other agencies should make a prompt report to the Montgomery County Sheriff's Office.

XII. EFFECTIVE DATE

This policy is effective as of June 12, 2018.

EXHIBIT “A”



Montgomery County, Texas
Office of the County Auditor
501 North Thompson, Suite 205, Conroe, Texas 77301
P. O. Box 539, Conroe, Texas 77305

#41

Phyllis L. Martin
County Auditor

Peggie Rushing
1st Assistant County Auditor

25E

FEB 13 2012

February 13, 2012

TO: Commissioners Court

FROM: Phyllis L. Martin *PLM*
County Auditor

RE: Grant Policy - Minimum Grant Amounts

Please consider and approve the attached policy with regards to minimum dollar thresholds for grant applications. This policy, if approved, will be distributed to all elected officials and department heads.

/s
Attachment

Tele: (936) 539-7820••Fax (936) 788-8390••Email: Phyllis.Martin@mctx.org

GRANT POLICY STATEMENT FOR MONTGOMERY COUNTY

Grant Minimum Amounts

I. PURPOSE

The purpose of this policy statement is to establish a minimum amount for a grant request in Montgomery County.

II. PERSONS AND AREAS AFFECTED

This is a county-wide policy statement affecting all departments that research, apply for or administer grants. This policy will be effective immediately upon Commissioners' Court approval.

III. POLICY

Montgomery County encourages all departments to apply for supplemental funding to augment budgeted funds. These additional funds provide needed services and equipment much earlier than could be done through normal operations. However, there remains a cost to administering any grant. In order for a grant to provide an overall financial benefit to the County, it is the desire of the Commissioners' Court that any grant that a County department applies for or requests from a grantor have a minimum award value of **\$2,500.00**.

EXHIBIT “B”

MONTGOMERY COUNTY GRANT REQUEST FORM

(Attach a copy of the application and budget)

(TO BE COMPLETED BY DEPARTMENT/GRANT ADMINISTRATOR)

TARGET COURT DATE: _____

DEPARTMENT NAME / NO: _____

APPLICATION DUE DATE: _____

DEPT. CONTACT: _____

PHONE: _____

PROJECT TITLE: _____

DURATION IN YEARS: _____

FUNDING AGENCY AND PROGRAM TITLE: _____

AGENCY CONTACT: _____

PHONE: _____

SOURCE ☐ FEDERAL CFDA# _____ ☐ STATE ☐ OTHER _____ ☐ PASS-THRU ☐ MULTI-YEAR

☐ NEW ☐ RENEWAL ☐ ADJUSTMENT ☐ DISCRETIONARY ☐ FORMULA ☐ RENEWABLE

AMOUNT REQUESTED: _____ START DATE: _____ END DATE: _____

IS MATCH REQUIRED? ☐ YES ☐ NO | ☐ OFFERED? AMOUNT: _____

TYPE OF MATCH ☐ CASH ☐ IN-KIND SOURCE OF MATCH: _____

MUST COUNTY CONTINUE PROJECT WHEN FUNDING ENDS? ☐ NO ☐ YES HOW LONG? _____

ARE THERE OTHER COSTS? (Fuel, maintenance, engineering, etc.?) _____

DESCRIBE ANY SPECIAL PROGRAM REQUIREMENTS OR EXPECTATIONS. _____

PROVIDE A BRIEF DESCRIPTION OF THE PROJECT AND THE BENEFITS TO THE DEPARTMENT OR THE COUNTY or ADJUSTMENT NOTES: _____

(TO BE COMPLETED BY COUNTY AUDITOR)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
DIRECT PROJECT COSTS					
MATCH					
ADMINISTRATION ALLOWANCE					
INDIRECT OR CAP (19.79%)					
TOTAL					

DEPARTMENT HEAD: Initial _____ Print Name _____ DATE: _____

GRANT ADMINISTRATOR REVIEW: _____ DATE: _____

COUNTY AUDITOR REVIEW: _____ DATE: _____

02/08/2012

Montgomery County Texas

Policy and Procedures

For Presenting Supplemental Income

Grant Applications and Awards

Policy Statement:

Montgomery County Texas Commissioners' Court requires that all grant income not typically budgeted in the County's budget process including any applications and any awards presented to Commissioners' Court be accompanied by a standardized cover sheet (Grant Request Form) so that all aspects of the application/award can be reviewed including any required 1) match and its source, 2) obligation to continue the program past the term of the award, 3) other costs to operate the program, or 4) other special circumstance that would impact the County budget or operations.

Definitions:

A grant is an award of financial assistance in the form of money, property, or other financial assistance paid or furnished by the federal or state government, a nonprofit foundation or organization, a local business or an individual.

A donation is a gift, solicited or unsolicited, to a cause in the form of financial assistance in the form of money, property or other financial assistance for programs or activities previously approved by Commissioners' Court. Donations usually do not require a proposal or application. (A donation does not require a Grant Request Form.)

Procedures:

1. Minimum Grant Application amount must be **\$2500** or more.
2. Department Heads and Elected Officials are to complete and sign a grant cover sheet and submit it with any proposal or application documents to the Grants Administrator for review at least two (2) weeks prior to Commissioners' Court. The Grants Administrator will review the documents and, if approved, forward them to the County Auditor for review of the proposal budget and match source. The Auditor will determine if the documents may need to be reviewed by the Contract Review Committee or the County Attorney. The County Auditor will return the cover sheet and documents, if approved, to the Department Head or Elected Official for submission to the Commissioners' Court.

3. Department Heads and Elected Officials are to submit the executed grant cover sheet and all financial assistance documents (i.e. proposals, applications) to the Commissioners' Court for consideration and approval prior to submission to the funding agency.
4. Department Heads and Elected Officials may make adjustments, additions, or corrections to any proposal or application that is not approved by the Grants Administrator or the County Auditor and re-submit them for approval.
5. If approved by Commissioners' Court, the Department Heads and Elected Officials are to submit the proposals or applications per the funding agency's requirements by surface mail, delivery service, email or other electronic means. Documents for which original signatures are required may be retrieved from the County Clerk 24 hours after Commissioners' Court.
6. Department Heads and Elected Officials are to present any grant award documents to Commissioners' Court for acceptance. For those items of financial assistance previously requested through the above process, the original grant cover sheet should be appended to the award documents. If the award differs from the original submitted request, the first grant cover sheet and a new grant cover sheet showing the adjusted amount or conditions should be appended. Department Heads and Elected Officials are to provide the Grants Administrator and the County Auditor the adjusted grant cover sheet for approval before placing the item on the Commissioners' Court agenda.
7. The Grants Administrator and the County Auditor will make every effort to offer a speedy review of submitted requests. Involvement of the Grants Administrator and the County Auditor during the development of the proposal or application is encouraged. In order to make for the smoothest possible review process, Department Heads and Elected Officials are requested to provide all documentation for review at least two (2) weeks prior to the targeted Commissioners' Court date.

APPENDIX EE

RED FLAG POLICY FOR MCCD

**MONTGOMERY COUNTY COMMUNITY DEVELOPMENT
RED FLAG POLICY**

SECTION 1: OVERVIEW

Purpose

The purpose of this policy is to ensure the protection of consumer data and prevent identity theft from the files of Community Development. Montgomery County Community Development (MCCD) is committed to ensuring that no theft of client information or other confidentiality breach occurs. If a breach does occur, MCCD will have policies and procedures in place to effectively address the issue with minimal inconvenience to the client. The primary goal of this policy is to fuse existing policies, standard operating procedures and best practices in data protection in order to effectively address the purposes identified.

Scope

This program and companion policy applies to any individual or entity with an affiliation, direct or indirect, to MCCD. Affiliations with MCCD include, but are not limited to, employees, contractors, vendors, clients or any other individual, entity, or agency using MCCD data for any purpose.

Administration

The Privacy Assurance Program is administered by a Privacy Officer, appointed by the Director of Community Development. The Privacy Officer works with MCCD staff to ensure that this policy is uniformly implemented. These responsibilities may be delegated to a designee of the Privacy Officer.

Documentation

MCCD is responsible for ensuring that all major identity theft events, as well as appropriate mitigation and resolution actions taken, are thoroughly documented on the appropriate logs and/or forms, and that clients whose data has potentially been compromised are notified.

Reports to Consumer Reporting Agencies

In order to protect the privacy of MCCD's clients, information released to any external source regarding identity information must be limited. MCCD will provide notices of confirmed address updates to any Consumer Reporting Agency upon written request.

Updates to This Policy

This policy is reviewed annually and is included in the back up documentation associated with the MCCD Annual Plan. Updates will be made as needed and approved as part of the Annual Plan package.

SECTION 2: RED FLAGS, MITIGATION AND RESOLUTION

Overview of Identity Theft Red Flags

This policy, and ancillary policies and procedures, are designed to detect, deter and prevent unauthorized access to client information and malicious account activity which might lead to identity theft. The following information discusses the specific "Red Flags" that agency policy addresses. A summary of actions to mitigate identity theft and resolve occurring incidents is also discussed.

Information from Workplaces and Other Agencies

MCCD must verify client name(s) and demographic information using information from third party sources as part of the eligibility process. Information is obtained to verify the identity of a client only.

Red Flag Warnings

1. A fraud or active alert is included in a report on a client.
2. A report provides notice of an address discrepancy.
3. A report indicates a pattern of activity that is inconsistent with the reported history and activities of the client.

Summary of Mitigation

In order to mitigate possible identity theft under the provisions of these red flag warnings, MCCD will attempt to contact the client and request additional documentation which substantiates identity prior to establishing eligibility for programs.

Summary of Resolution

If a client or a reporting agency contacts MCCD concerning any of the possible warnings listed above, MCCD staff will verify the client's identity and direct them to in-person service as necessary.

Suspicious Documents

All clients for MCCD services or programs are required to produce certain types of documents in order to establish a residency and eligibility for the particular MCCD program being pursued. All identification must be unexpired.

Red Flag Warnings

1. Documents provided for ID appear altered or forged.
2. The photo or physical description is not consistent with the appearance of the applicant.
3. Other information given at application is not consistent with the ID of the applicant.
4. Other information on identification is not consistent with readily accessible info on file, such as signature or recent check.
5. An application and/or supporting documentation appear to have been altered or forged, or give the appearances of having been destroyed or reassembled.

Summary of Mitigation

In order to mitigate the theft of a client's identity under the possible red flag warnings defined in this section, MCCD staff will request additional documentation which can verify a client's identity. If a client is unable to produce such documentation, no service, program or client information may be established, modified or provided.

Summary of Resolution

If an identity theft event relating to one of the above listed red flag warnings does occur, specially trained MCCD staff will work with the client to verify the accuracy of any identification information which MCCD has on file. In the event that a staff member suspects fraudulent information is being presented, MCCD may contact law enforcement if necessary.

Unusual Use or Suspicious Activity Related to a Current Client File

This section covers actions on existing accounts which may be considered fraudulent or malicious.

MCCD staff are trained to notice possible irregularities in client file information both on new and existing accounts. Addresses and identifying information are verified each time a client contacts MCCD for any inquiries or modifications to their project. If suspicious activity is reported by either a client, MCCD staff, or an outside entity, MCCD will immediately investigate the incident. Service on files with fraudulent activity will be immediately suspended until the investigation is fully resolved.

Questionable files are reviewed by an Ad Hoc committee comprised of members of the MCCD Allocations Committee. Decisions of the committee are final.

Notice of Theft

If MCCD is notified by law enforcement or other governmental agency that a fraudulent file has been opened or other malicious activity has occurred, staff should immediately take steps to comply with the orders of law enforcement.

Red Flag Warning

MCCD is notified by law officials or others that it has opened a fraudulent file for a person engaged in identity theft.

Summary of Mitigation

If MCCD receives notification from law enforcement that it has opened a fraudulent file, service to the client will be suspended during investigation, and may ultimately be terminated.

Summary of Resolution

MCCD will comply with all orders and directions given by law enforcement.

APPENDIX FF
LEAD BASED PAINT POLICY & PROCEDURE



501 N. Thompson, Suite 200 Conroe, TX 77301

LEAD BASED PAINT POLICY AND PROCEDURES

In accordance with Federal Regulation, with regard to lead-based paint, all homes built before January, 1978 are presumed to have lead paint and will need to be checked for lead paint hazards. The cost of lead paint testing is included in the total grant, if awarded.

INSPECTION/RISK ASSESSMENT TESTING PROCEDURES:

When an applicant is identified, an initial inspection of the property is performed by a Montgomery County Community Development (MCCD) staff member trained by HUD to conduct Lead Based Paint Visual Assessments. Upon recognition of potential lead paint, the Lead Based Paint (LBP) contractor will be notified to begin performing certified lead hazard control tests on all painted surfaces and to collect the necessary samples. These samples include dust wipes, bare soil, clearance testing and XRF analysis. All samples are analyzed, and a report is sent to the proper staff member who reviews the final analysis. A Lead Risk Assessment Report is compiled which includes X-Ray Fluorescence analysis, sampling results, a visual inspection of the lead paint areas, the floor plan, and a recommended plan of action. A copy of the risk assessment report is given to the MCCD staff who will work with the applicant and Lead Based Paint contractor to create a mitigation plan.

The following methods of testing are utilized during the lead based paint inspections/risk assessments.

1. Testing by XRF (X-RAY Fluorescence) measures both direct read and spectrum analyzer.
2. Paint chip collection and confirmation testing of any inconclusive readings
3. Soil sampling.
4. Dust wipe sampling.

A lead paint risk assessment/ inspection is performed by a licensed Certified Lead Risk Assessor in accordance with the HUD Guidelines which establishes 1.0 mg/cm² or .5% by weight as the criteria for leaded paint. MCCD strictly adheres to this protocol for all permissible exposure limits and for all samples as noted in Chapter 1 of the HUD Guidelines and the EPA Established Regulatory limits. In single family owner-occupied homes, the entire structure, interior and exterior, including soil samples are inspected and tested. If no lead is found the family will be notified and no further action will be required.

In cases where lead is found the Risk Assessment Report helps the LBP contractor in selecting the best possible lead hazard control methods.

Once the initial lead paint inspection is performed and the test results are compiled, the structure will undergo proper lead hazard controls. The mitigation will be completed using a combination of lead hazard methodologies depending upon the structure's lead amounts analyzed and reported. Historical requirements also dictate the type of lead hazard control methodology selected for any structure. Each home is reviewed for historic content by the State of Texas Historic Preservation Board.

Once the Lead Inspection/Risk Assessment report is completed along with the initial visual assessment of the property and the contractor's report of any lead violations, a full analysis can then be made to determine where lead hazards exist. MCCD staff will make a site visit to the home with all of the above documentation in order to determine the repairs necessary that will mitigate the lead hazard found in the home. The following Lead Hazard Control Methodologies may be utilized:

1. Replacement or removal of lead based paint components
i.e. windows, doors, baseboards, cabinets
2. Enclosure of lead based paint components
i.e. sheet rocking, dry wall
3. Encapsulation of lead based paint surfaces
i.e. using an approved encapsulate, on stair stringers, baseboards
4. Paint Film Stabilization
i.e. exterior painting especially for Historic Structures

5. Friction Surface treatment

i.e. Door jams, window stops

6. Dust Removal

i.e. Specifying 3-step cleaning process for all surfaces

7. Complete removal of lead based paint by mechanical or chemical methods

i.e. utilizing approved strippers or a heat gun below 1100 F

8. Mitigation of Bare Soil

i.e. placing new sod, shrubs, groundcover, raised boxes, plantings

9. Off-site Stripping

i.e. has been utilized on historic window and door components

Once the lead hazard control activities are completed along with any interior rehabilitation work, the Montgomery County Project Supervisor will perform a visual inspection and clearance dust samples will be analyzed for final approval as prescribed by federal guidelines and regulations. Final results will be reported electronically to MCCD staff and shared with the applicant.